

Royal Commission on Australian Government Administration

REPORT

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REPORT



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Royal Commission on
Australian Government
Administration

P.O. Box 1952
Canberra City, ACT 2601

Your Excellency,
We have the honour to present the Report of the Royal Commission on Australian Government Administration upon the matters entrusted to us for inquiry by Letters Patent dated 6 June 1974.

The Letters Patent issued to your Commissioners are returned herewith.

Yours sincerely,

H. C. COOMBS
Chairman

P. H. BAILEY
Commissioner

ENID CAMPBELL
Commissioner

J. E. ISAAC
Commissioner

P. R. MUNRO
Commissioner

His Excellency the Honourable Sir John Kerr,
A.K., G.C.M.G., K. ST. J., Q.C.,
Government House,
Canberra, ACT 2600

LETTERS PATENT

ELIZABETH THE SECOND, by the Grace of God Queen of Australia and Her other Realms and Territories, Head of the Commonwealth:

TO—

DR. HERBERT COLE COOMBS
MR. PETER HAMILTON BAILEY, O.B.E.
PROFESSOR ENID CAMPBELL
THE HONOURABLE JOSEPH EZRA ISAAC
MR. PAUL ROBERT MUNRO

GREETING:

WE DO BY these Our Letters Patent issued in Our name by Our Governor-General on the advice of Our Executive Council and pursuant to the Constitution of Australia, the Royal Commissions Act 1902–1966 and other enabling powers, appoint you to be Commissioners to inquire into and report upon the administrative organization and services of the Australian Government, and in particular—

(1) the purposes, functions, organization and management of Australian Government Departments, statutory corporations and other authorities and the principal instruments of co-ordination of Australian Government administration and policy; and

(2) the structure and management of the Australian Public Service,

and to make recommendations for improving efficiency, economy, adaptability and industrial relations and the despatch of public business:

AND, without restricting the scope of your inquiry, We direct you, the said Commissioners, to give particular attention to the following matters:—

(a) the appropriate role of ministerial departments, statutory corporations and other authorities;

(b) relationship of the Australian Public Service and statutory corporations and other authorities with the Parliament, Ministers and the community;

(c) parliamentary scrutiny and control of administration;

(d) responsibility and accountability of public servants, and their participation in forming policy and making decisions;

(e) adequacy of the machinery available to assess the relevance and economy of existing programs in meeting government objectives;

(f) the extent to which central management of the Australian Public Service is necessary, and internal control and co-ordination in that Service, especially the functions of the Public Service Board, the Auditor-General and the Treasury;

(g) centralization, decentralization and delegation of functions;

(h) the principles applicable to staffing of statutory corporations and other authorities;

(i) personnel policies and practices, including eligibility, recruitment, selection, appointment, tenure, training (especially management training), promotion, classification, discipline, morale and conditions of service

of members of the Australian Public Service, both generally and in relation to particular classes of persons;

(j) the determination of salaries, wages and other conditions of service of persons in the service of the Australian Government, including those serving overseas;

(k) the rights of public servants as citizens; and

(l) any other matters to which the attention of the Commission is particularly directed by the Prime Minister in the course of the inquiry:

AND WE further instruct you, the said Commissioners, that it is not intended that you should make special inquiry into, or special reference to, matters relating to postal and telecommunications services that were the subject of the inquiry made in accordance with the Letters Patent issued by Us on 22 February 1973, or to matters relating to superannuation.

AND WE APPOINT you the said Dr. Herbert Cole Coombs to be the Chairman of the said Commissioners.

AND WE DIRECT that for the purposes of taking evidence, two Commissioners shall be sufficient to constitute a quorum, and may proceed with the inquiry under these Letters Patent.

AND WE require you as expeditiously as possible to make your inquiry and to report the results of your inquiry and your recommendations to our Governor-General of Australia.

WITNESS HIS EXCELLENCY THE RIGHT HONOURABLE SIR PAUL MEERNAA CAEDWALLA HASLUCK, a member of Our Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Knight of the Most Venerable Order of the Hospital of Saint John of Jerusalem, Governor-General of Australia, this sixth day of June 1974.

(Paul Hasluck)
Governor-General

By His Excellency's Command,

(E. G. Whitlam)
Prime Minister

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Part A
Approach of the Commission

Chapter 1 Preface

1.1 THE TASK OF THE COMMISSION

1.1.1 The system of Australian government administration is seventy-five years old. It is more than fifty years since Commissioner Duncan McLachlan conducted the first and only comprehensive review of that system. Since then, other reviews of particular aspects of the administration have been attempted, including those of the Bailey Committee of 1943–44 on promotions and temporary transfers, and the Boyer Committee of 1957–58 on recruitment. Numerous aspects of the Australian Public Service have incidentally been considered by parliamentary committees, including the Joint Parliamentary Committee on Public Accounts and the Estimates Committees of the Senate.

1.1.2 The years since Commissioner McLachlan's inquiry have seen a great extension of the functions of government and of the Commonwealth government in particular as well as important changes in the attitudes and expectations of the community in relation to government. In the last two decades the proportion of Gross National Expenditure which passes through the Federal Budget has risen from about 21 per cent to about 30 per cent. In Australia, as in countries overseas, these changes have placed strains on the machinery of government. The strains have been recognised in recent years in the appointment of commissions of inquiry into the civil services of the United States, Canada, Great Britain, New Zealand and Ireland.

1.1.3 The terms of reference of this Commission are as broad as any in recent history for an inquiry into any similar style of government. They reflect a growing awareness of the need to adapt the national public administration to the needs of contemporary government and they provide the framework for a fundamental rethinking of administrative principles and practices.

1.1.4 The Commission was requested to report its findings within two years of its appointment. The magnitude of its task and the limited time available made it inevitable that it would select issues on which to focus its attention. In this selection it has been guided by the need to produce recommendations designed not merely to bring public administration up to date but to build into it a continuing responsiveness to the changing demands of government and the community. The Commission has not sought to prepare a comprehensive description of the system as it works but rather to develop a strategy for its development.

1.2 METHODS OF WORK

1.2.1 The Commission thought it desirable that its inquiries should take place at the centre of widespread public debate and discussion of the issues involved and that its work should be informed by that debate. It has sought at all times to

conduct its business with the minimum of formality, to involve the greatest number of interested people in its inquiries and to keep the government, members of the administration itself and the community informed of its activities.

1.2.2 The Commission, by means of nationwide advertisement, invited written submissions from members of the public on any matters related to its terms of reference. More than 150 government agencies and 500 community and business organisations were invited by letter to make submissions. In addition the Australian Council of Social Service was asked to encourage the expression of points of view from members of the community, especially from clients of government departments and agencies, many of whom normally are reluctant to express their views publicly. Special encouragement to public servants to come forward with views on matters before the Commission was given by the then Prime Minister in a letter to all departmental heads in October 1974, in response to fears which had been expressed that to volunteer evidence might contravene provisions of the Public Service regulations.

1.2.3 Since July 1974 the Commission has received over 750 submissions. These are of varying lengths, cover a wide range of subjects and express diverse and often conflicting points of view. They have constituted for the Commission a valuable source of information and opinion, and served to focus its thinking on those aspects of the structure and operations of the administration which appeared to occasion the greatest concern. The papers prepared by the Public Service Board in particular have assisted the work of the Commission in many ways.

1.2.4 In the earliest phase of its work, between July and November 1974, the Commission sought to establish informal contacts with individuals and organisations whose wisdom and experience it felt would assist it to determine the directions its inquiries should take. Informal meetings were arranged with parliamentarians, the Public Service Board, heads and former heads of government departments and instrumentalities, public servants at various levels in the Service and in various age brackets, members of ministerial staffs, officials of Public Service staff organisations, members of the business community and academics.

1.2.5 The Commission also arranged a program of visits to work places, which included the Taxation Offices in Sydney and Melbourne, the Aeronautical Research Laboratories at Fisherman's Bend near Melbourne, the Repatriation Hospital at Greenslopes near Brisbane, the Townsville branches of the Department of Social Security and the Commonwealth Employment Service, the CSIRO's Kimberley Research Station near Kununurra in Western Australia and the Weapons Research Establishment at Salisbury in South Australia. These visits normally coincided with hearings for the presentation and elaboration of prepared submissions but served also to illustrate the great diversity of tasks and styles of work carried out within the Commonwealth government administration.

1.2.6 Formal public hearings, directed primarily to issues raised in written submissions, began in Canberra on 18 November 1974. Between that date and 12 August 1975 the Commission heard 356 witnesses on 55 sitting days. The transcripts of evidence run to 3250 pages. Hearings were held in Canberra and Darwin, in all State capitals, in Albury-Wodonga, Townsville and Alice Springs.

In March 1975 the Commission toured central, northern and western Australia and took evidence in Port Hedland, Derby and Kununurra.[1]

1.2.7 The Commission, while making this tour, also sought contact with members of the public at a series of fifteen public meetings arranged by the Australian Council of Social Service, as well as in a series of meetings with community leaders and representatives of organisations whose affairs are affected by the activities and procedures of the government and its agencies. Meetings were also arranged between the Commission and Commonwealth public servants in centres outside Canberra.

1.2.8 Communication between the Commission and trade unionists and business leaders was assisted by the establishment of two advisory committees representative of these groups.[2]

1.2.9 Copies of all written submissions, other than those which the authors had made in confidence or which the Commission decided warranted confidential treatment, have been available for public inspection in the Commission's offices in Canberra and Melbourne. Copies of the transcripts of evidence were placed in the Commission's Canberra office, in the Parliamentary Library and in the offices of the Public Service Inspector in each State capital.

1.2.10 The press was kept informed of the progress of the Commission's work by a press liaison officer. At times, press conferences were arranged to review progress with our inquiries. Press coverage of the work of the Commission has, in Canberra, been lively and consistent. Elsewhere it has attracted less attention, although there have been notable examples of informed examination by the press of the issues before the Commission.

1.2.11 It was envisaged from the outset that the Commission would not rely solely on submissions and its own work but would sponsor professional studies of issues of particular importance. It hoped thereby to base its conclusions on competent and informed research. A great deal of its resources has consequently been devoted to the design and conduct of an extensive research program in which many of the problems facing the administration and the resources and options available to deal with them have been analysed. The Commissioners have participated in that work as have most of the Commission's staff. Their work has been supplemented by that of academic and commercial consultants. The collected papers which have come from that research program constitute a formidable body of work on public administration in Australia and will no doubt be a resource for study for many years.

1.2.12 The research techniques applied to different issues and problems before the Commission have varied. In some cases, that research has involved analysis of existing material—for example, of studies carried out by the Public Service Board; in others it has drawn on existing factual and survey material not previously studied—for example, the Continuous Record of Personnel maintained by the Public Service Board was put into a new format that allowed valuable information to be extracted from it. New first-hand data have been gathered on some matters—for example, in the comprehensive Career Service

1. See the list of hearings at the end of this Report.
2. A list of the members of these committees is included at the end of the Report.

Survey[1] and in the studies of access to government services.[2] Papers have been sought from persons with relevant experience. Wherever possible, research has been practical and action-oriented. For example, the Commission has initiated continuing experiments designed to test the practicability and effectiveness of some proposals which could have widespread implications for the conduct of government affairs. Thus, the opening of the NOW Centre in Coburg, Victoria, is designed to test whether a range of services provided by federal, State and local government authorities can be delivered more effectively if their delivery is co-operatively organised and in so doing to assess the capacity of local staff to initiate change and to approach administrative problems experimentally.[3]

1.2.13 A technique of some interest for this form of inquiry has been the use of task forces to develop an action plan for possible innovation and to assess its costs and benefits. Thus one task force, led by a Commissioner, sought to design regionally-based structures for Australian government administration in four representative regions and several possible designs were produced. Task forces were also established to consider the organisation of science in government; the definition, measurement and achievement of efficiency; the administrative arrangements of the Australian government for the planning, formulation and implementation of health and welfare policy and the review and evaluation of related programs; and the co-ordination of economic policy. Each of these task forces has been organised and has worked in ways different from the others. As well as being each under the general guidance of one of the Commissioners, some have included members drawn from interested departments and agencies and from the Commission's own staff. Their work has substantially influenced the content of the Commission's Report. The Commission is deeply grateful to those who have participated in them and to the employers of the members for their co-operation.

1.2.14 Since June 1975 the Commission has published as discussion papers work done by consultants or staff dealing with certain key issues and expressing views on which it sought reactions from a wide range of people, and also the reports or working papers of the various task forces. These publications have sometimes formed the bases for seminars and other organised discussions. Commissioners and staff have participated in these discussions, which have done much to broaden the area of debate and to stimulate interest in the possibilities of innovation and greater efficiency in the conduct of government affairs.[4]

1.2.15 We have been impressed, for instance, by the interest in the possibilities for reform evident within the administration itself. Significant changes have already been set in train and a climate more favourable to innovation has, we believe, already developed. An administration spontaneously adapting to change would be a more important outcome of the work of the Commission than any of the specific reforms it suggests. The magnitude and complexity of changes current and in prospect for our society add weight to the importance of this capacity to adapt. The Commission has, therefore, given much thought to influences—organisational, intellectual and emotional—likely to stimulate it.

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1. See Appendix 3.A.
2. See Appendix 2.C.
3. See Appendix 2.F.
4. A list of these publications appears at the end of this Report.

1.2.16 Because of the very wide scope of the Report, some degree of specialisation in the areas of interests of individual Commissioners was necessary. Accordingly, individual Commissioners accepted primary responsibility for the drafting of different parts of the Report. The drafts were then considered by the Commission as a whole and modified as necessary to arrive at a consensus. With very few exceptions, agreement was reached on all matters of substance. It will be appreciated that, while the Report reflects the consensus of the Commission, all Commissioners have not been involved equally in all parts of it and do not have an equal commitment to all its recommendations. In the few instances where a Commissioner found it necessary to make a reservation or submit a minority view, this has been indicated in a footnote to the relevant paragraph or paragraphs and a supplementary note prepared by the Commissioner concerned has been added at the end of the appropriate Chapter. In some instances these supplementary notes have been further supported by material contained in the appendices.

1.2.17 As the Commission prepared its final Report it consulted the heads of the government agencies particularly affected, including the Public Service Board, Treasury, the Department of the Prime Minister and Cabinet and the Auditor-General, and other individuals with special knowledge of the administration. We were greatly assisted in writing the final version of the Report by the comments received on earlier drafts.[1]

1.3 OBJECTIVES OF THE REPORT

1.3.1 The capacity of any system to accept change is limited, especially when it is essential that the system should continue to operate while the change occurs. It is not possible for major parts of the Australian government administration to stop work while they are being rebuilt; nor is it practicable to build a parallel organisation wholly to replace the original when its construction is complete. Furthermore, evidence from the Career Service Survey suggests that the uncertainty produced by changing roles and responsibilities adversely affects the morale of those officials involved. Changes proposed must, therefore, in other than times of extensive social breakdown, be of a kind which can be incorporated quickly or progressively into the working environment.

1.3.2 The task of achieving planned change is further complicated. No human organisation is wholly constant in its working: changes occur continuously, reflecting the changing standards, experience and values of those who work within it and the influences to which they are exposed. These changes often occur without the conscious awareness of those in authority, or they may run counter to their wishes. Furthermore, there is an inbuilt conservatism in all organisations; change tends to be resisted passively, if not actively, as fruitlessly disturbing and in the short run costly and wasteful. There is, of course, an element of wisdom in this conservatism: change merely for the sake of change is purposeless.

1.3.3 Nevertheless, the Commission has concluded that Australian government administration now needs significant adaptation to deal responsibly, effectively and efficiently with the tasks which confront it.

1.3.4 This Report will therefore seek to deal with the problems and weaknesses which the Commission's examination suggests exist and to propose action which

1. For a further discussion of the Commission's methods of work see Appendix 1.A.

will contribute to solving the problems and overcoming the weaknesses. Our approach will be basically pragmatic: we will not propose a wholly different system of administration nor a wholly different set of relationships between it, the political arm of government and the community. In the light of the comments above, the Report will seek to concentrate on changes which the Commission believes justifiable and practicable and compatible with continued effective operation. Perhaps more importantly, it will pay special attention to changes which progressively can affect the attitude of mind of those engaged in administration, and the range of influences to which they are exposed, in ways likely to improve their performance. Among these changes will be measures designed to stimulate a greater awareness of social change, a capacity to learn from the experience of other administrations, and a willingness to see innovation as a logical response to that change.

1.4 STRUCTURE OF THE REPORT

1.4.1 The Report itself has three parts. The rest of Part A seeks to review briefly the way in which Australian government administration fits into and adapts to the pattern of Australian society and government in particular. It surveys and attempts to assess the main lines of criticism of its working and seeks to identify characteristics of the system and those who compose it which might contribute to its inadequacies. Finally, we seek to state in simple terms the general principles which we believe provide the foundation for our approach to more detailed issues.

1.4.2 Part B concentrates on the issues and institutions about which our investigations have led us to propose action. This part does not seek to be comprehensive. There are important parts of the administration to which little reference is made. The reasons for such omissions are various. Perhaps the most striking omission is that of a consideration of the administration of defence and military affairs. The Commission concluded that there was so much that was distinctive about this area of government that, if we were to deal with it, a more detailed and comprehensive study would be necessary than was possible in reasonable time. The Commission was conscious, furthermore, that a major reorganisation of defence administration was scarcely complete and a judgment about its effectiveness would not at this stage be possible. We believe, however, that the reorganisation is potentially of great interest to other parts of the administration, and suggest that when the new system has been functioning for several years a special study be undertaken of defence administration.

1.4.3 Part C contains material and suggestions concerned with the need for ensuring that the capacity for self-generated review and change becomes characteristic of the administrative system itself. It also includes a summary of the Commission's recommendations and suggestions relating to the way in which they might be implemented. Despite our efforts to concentrate on the practicable, these recommendations would in the aggregate involve substantial restructuring of government administration and would require systematic application over a period of years. Part C therefore expresses some views about the strategy of that application.

1.4.4 The Commission has sought to keep the Report itself as brief as possible and to express its content simply and in non-technical language. Much of the

material which provides support and justification for the views expressed and the recommendations made will be found in the four supplementary volumes.[1] A collection of submissions and research reports will also be published separately in microfiche form.[2] The Report itself will make reference to such material so that those with special interests or responsibilities will be able to study the foundations of the Report more comprehensively.

1. Appendix Volumes One to Four: Material in these Volumes is referred to in the text by a number denoting the Volume, and a letter denoting the particular Appendix (thus, Appendix 1.A). A complete list of the contents of the Appendix Volumes appears at the end of this Report.
2. A note on this material appears at the end of this Report.

Chapter 2 The Administration —The Basis For Reform

2.1 THE ADMINISTRATION AS A COMPONENT IN GOVERNMENT

2.1.1 This Report is about the men and women who are employed by the government, and the ways in which they are organised to form the administration.[1] These men and women perform widely-ranging functions and serve different instruments of government—ministers and the Cabinet, Parliament, the Courts and a great variety of statutory and non-statutory agencies. Their employment is authorised and, in varying degrees, regulated by a number of Acts of Parliament, not simply by the Public Service Act; indeed more than 60 per cent of Commonwealth employees are outside that Act. The Report will recommend changes in the conditions of their employment, in the ways in which they are organised, in their relationships to one another, to the instruments of government which they serve, and to the individuals and groups which compose the community, so that the functions of government in its widest sense can be more adequately performed.

2.1.2 Sensible judgment about changes necessary cannot be made unless the administration is studied and judged in the context of the Australian system of government. This system has traditionally been identified and described as an example of the Westminster system. The Commission has become increasingly conscious of the degree to which the Australian system in fact differs from the Westminster model and of the significance for the administration of such differences.

2.1.3 There may be reason to question whether that model in its purest form ever was an accurate image of Australian government, or indeed of the United Kingdom government itself since early in the century. Certainly, it seems that changing social attitudes in our time and the increasing tempo of technological change are widening the range and intensifying the complexity of the functions performed by governments and presenting them with a different pattern of characteristic problems.

2.1.4 The Westminster model envisages a government chosen from elected representatives and responsible and accountable to them.[2] It presents the

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1. It is difficult to find a word which stands precisely for the entity we are concerned with. Perhaps the closest would be 'bureaucracy' but this term has become almost pejorative. We have therefore decided generally to use the word 'administration' to refer to the complex of persons and organisations concerned, despite the danger of occasional confusion with the process of administering.
2. Responsibility and accountability are closely related concepts. We use them in this Report to describe two aspects of the relationship between a person entrusted with a task towards that task and towards the authority which entrusts him with it. Thus, a person is responsible *for* performing the task and *to* the authority which entrusts him with it. If there is a procedure by which he can be called upon to report on and justify his performance, and can be rewarded or penalised according to judgment on it, then he is also accountable.

bureaucracy as simply an extension of the minister's capacity: it exists to inform and advise him; to manage on his behalf programs for which he is responsible. Except where Parliament specifically legislates otherwise, its power to make decisions or to act derives entirely from the minister by his delegation and he remains responsible to his Cabinet colleagues and to Parliament for decisions made and actions performed under that delegation.

2.1.5 A consultant, Professor H. V. Emy, draws attention in his paper[1] to the increasing unreality of this picture as a description of either how Australian government works or how it should work. It is true that the Australian Constitution (section 64)[2] enshrines the principle of ministerial responsibility in its provision for 'departments of State' under the control of ministers. Nevertheless Professor Emy points out, ministers do not accept, nor does Parliament or the public expect them to accept, a blanket responsibility for the acts of their officials—or for anything other than the most serious and personal errors. Furthermore, it is obvious that a minister does not and cannot have a detailed knowledge of all that goes on within his department: indeed the Public Service Act gives to the head of a department certain powers (for example, in respect of promotion and departmental establishments) independent of those derived from ministerial delegation and many would contend that the ministerial control of a department is curtailed by legislation and practice assuming the force of convention. The minister's responsibility and control over departmental affairs are shared in a number of respects. Cabinet or Prime Ministerial directives restrict the scope for autonomous ministerial action, particularly in relation to demands upon resources. Departmental action at ministerial direction relies upon the co-operation of other departments and agencies.

2.1.6 To the extent, therefore, that the head of the department and his colleagues have capacity to act in ways for which their minister cannot be fairly held responsible there is, unless the official concerned can be identified and called to account, a gap in the hierarchy of responsibility and accountability through which political control could escape altogether. But traditionally, officials have been held to be anonymous. This is not simply a matter of convention. In a large and complex organisation which deals with issues requiring time-consuming consideration, decision-making tends to become diffused, incremental and impersonal and it becomes difficult to pin-point its precise locus. Furthermore, it has been argued that if the official concerned is in fact identifiable, he may be exposed publicly to criticism with little capacity for effective defence. Thus in a system which combines the anonymity of officials with an inability of ministers effectively to accept responsibility, effective and economical administration can fall between the stools of the theory of ministerial responsibility and of the practice of management by anonymous officials.

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1. The Public Service and Political Control: The Problem of Accountability in a Westminster Style System with Special Reference to the Concept of Ministerial Responsibility. See Appendix 1.B.
2. Section 64: 'The Governor-General may appoint officers to administer such departments of State of the Commonwealth as the Governor-General in Council may establish.

   Such officers shall hold office during the pleasure of the Governor-General. They shall be members of the Federal Executive Council, and shall be the Queen's Ministers of State for the Commonwealth.

   After the first general election, no Minister of State shall hold office for a longer period than three months unless he is or becomes a senator or a member of the House of Representatives.'

2.1.7 The reality of ministerial responsibility and accountability is further eroded by the existence of a large number of statutory bodies and other agencies which, either by Act of Parliament or by executive practice, exercise considerable decision-making power independently of ministers. Some of these conduct publicly owned commercial enterprises; some (including a range of Administrative Tribunals) perform regulatory functions over private actions in diverse fields; some provide means for the expression of the views of important sectional interests; other resemble more directly government departments themselves in that their functions include the provision of information and advice to ministers. In some instances these agencies are required to accept ministerial direction but in practice even these act with substantial independence. In some instances also, they are required to report to Parliament, suggesting that a degree of direct accountability has been contemplated. If this were so, there is little provision for systematic examination of their work by either House.

2.1.8 Clearly there is a dilemma here which must be faced. On the one hand, if ministers involve themselves in decisions to a degree necessary for them to accept responsibility for them, officials are likely to feel less personally responsible and the outcome may therefore be less efficient. On the other hand, attempts to acknowledge and give precision to the responsibility of officials and to hold them accountable for its exercise may be seen as weakening direct ministerial responsibility and therefore political control.

2.1.9 Throughout Part B of our Report we have attempted to develop a system that balances the demands of ministerial responsibility and official accountability, recognising that the realities of contemporary government require that the bureaucracy be seen as exercising some powers in its own right; that the independence of those powers requires that those exercising them should be held accountable; and that the tradition of the supremacy of Parliament requires that the lines of that accountability should lead ultimately to Parliament.

2.2 DEMOCRACY—CAN IT BE PARTICIPATORY?

2.2.1 The problem of holding the bureaucracy accountable for the powers it in fact exercises is too complex to be resolved simply by minor modifications of the traditional Westminster model. The Commission is aware of political attitudes which question whether the representative principle underlying the role of Parliament and its control of the executive and its bureaucracy is an adequate expression of the democratic rights of the community. Those who hold these attitudes advance the counter-principle of participation in the processes of government as the proper, or at least an important supplementary, expression of those rights, though what is meant by 'participation' can vary widely between its different proponents.

2.2.2 It has, of course, long been recognised by writers on politics that power is not the exclusive possession of the political instruments of government—Parliament, ministers and the Cabinet—and their officials. In some societies power has been exerted by members of historically privileged classes; in most, it is exercised by the wealthy, by leaders of large industrial and commercial corporations, by the owners of the press and other media, by trade union officials; and, in somewhat different categories and with different levels of effectiveness, by organised religions, racial groups and other associations of persons with common social, political or other interests. The first group—the so-called vested

interests—exercise their power partly directly (for example, by the use of their wealth or their control of resources), but partly also by influence, persuasion and pressure (formal and informal) exerted on the political instruments of government.

2.2.3 There are those who assert that effective decisions in important matters are in fact made by these non-governmental focuses of power and that constitutionally established government is either simply their instrument in dealing with community wide issues or is tolerated by them only so long as it does not seek significantly to shift the real location of power. It is not necessary for us to judge the validity of these assertions nor to assess the relative importance of the various influences involved. It *is* necessary for us, however, to acknowledge the reality of these influences and to note the development in recent decades of new focuses of influence which have learnt something from the longer established interests about ways of exerting pressures on governments.

2.2.4 Thus, we now see organised groups working for specific social objectives such as conservation of the environment; the development or protection of the amenities of particular areas or communities; groups expressing the attitudes of women, of migrants, of the young; developing programs of protest, persuasion and organised pressure to modify the policies of the government. These groups have borrowed not merely from the traditional vested interests but also from more violent and emotional demonstration techniques. However the development of these new groups does not mean that all members of the community can exercise significant influence on government decisions. Apart from the many who simply do not choose to be involved there remain those who are excluded by isolation or organisational incapacity: frequently these include the severely disadvantaged and deprived.

2.2.5 The development of these new group pressures and changing attitudes towards the established vested interests has had, and continues to have, important effects for officials. Traditionally, officials tended to regard such groups with some suspicion. Indeed, the traditional anonymity and aloofness of the official was in part a means to protect him from the fact or accusation of undue influence by such interests.

2.2.6 A good example of changing attitudes is in economic matters where, as the role and influence of government policy became more pervasive and its application more detailed in its effect on individuals and enterprises, important interest groups sought to influence officials as well as ministers and parliamentarians. Similarly officials having responsibility to inform, advise and manage in economic matters needed contacts which could provide knowledge of the interests of those involved in industry and commerce and of the feel of the economy—knowledge which supplemented statistical and other data. In this and other fields the officials have helped to develop officially recognised groups.[1] Similarly, in the field of social welfare, government policy and administration have had progressively greater impact on the lives of persons, families and communities, and this has led to more frequent and systematic attempts to communicate directly with officials, sometimes by-passing local members and ministers.

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1. See T. B. Smith, Non-Statutory Bodies in Australian Government, Appendix 1.L.

2.2.7 Such attempts to communicate have been assisted by the emergence outside government employment of expertise relevant to government policies. Thus, organisations representing significant economic interest groups, chambers of manufacturers and of commerce, employers' associations, and the like, employ qualified economists and other professionally trained staff. Similarly, private welfare agencies like the Australian Council of Social Service have voluntary and professional workers with academic training and field experience in welfare work, and neighbourhood groups can frequently recruit supporters with architectural, engineering and planning qualifications and experience derived from private practice. The possessors of this expertise (the quality of which can vary widely), speaking for the interest groups involved, have sought to share the 'inform and advise' functions of the bureaucracy and in some matters, such as town and regional planning and the grass-roots administration of programs in health and social welfare, the function of management also.

2.2.8 These trends impair the traditional exclusiveness of the relationship of senior officials with the executive arm of government—with the ministers. Of course that relationship has never been wholly exclusive. Ministers have always sought information and advice from a variety of sources. The change is in the extent of this practice, in the range of groups and individuals from which it is sought, in its openness, and in the fact that it is becoming increasingly institutionalised. Furthermore, compared with the past, those who share in it are more diverse in their interests, derive their authority in part from newly emerging sources closer to the grass roots and employ less familiar techniques. Senior officials, therefore, are finding that they must be prepared consciously to work within a pluralist range of influences on ministers and perhaps even to see their role as being primarily to organise those influences, so that, while ministers are exposed to the widest choice of advice and of options, they are helped by their officials to assess and give appropriate weight to them. This development has its disadvantages.

2.2.9 Participatory democracy, except at the local and small-scale level, increases the influence and power of activists and can weaken concern for the interests of the inarticulate and the unorganised. As well as this the loss of simplicity in the relationship between the official and his minister complicates further the already difficult issue of accountability. On whatever basis responsibilities are in fact divided between the minister and his officials, the latter must now be conscious of the need to be responsive to those groups who seek to compete with them for the attention and confidence of ministers. This responsiveness may be reflected both in the 'style' of administrative behaviour and in the content of decisions. On the one hand the official will be conscious of the need to perform his tasks in a more open style, to be accessible, to be a good listener, and to act as if he considered himself in part directly accountable to the community. On the other, it may lead him to give undue weight to effectively expressed interests at the cost of the interests of the inarticulate.

2.2.10 Greater responsiveness will also be expected of those officials who organise, or work in, those parts of the administration which provide services to the public. An increasing consciousness among the users of these services that they receive them as a right means not merely that they will look for promptness, efficiency and courtesy in their delivery, but will expect to be satisfied about the conditions of their eligibility, priority and allocation. The officials involved may

therefore become increasingly responsive to the wishes and attitudes of their clients or customers—those to whom the services are directed. Such a development seems wholly beneficial, although it may add to the cost of the services being provided.

2.2.11 Thus, the simple image of the official as the instrument of ministerial authority, accountable to the minister alone, working unseen, unheard and anonymous, is now seriously inaccurate. Rather he must now be seen to have a special but not exclusive relationship with this minister; he must compete for influence and authority; often he must do his work in the full light of public awareness, be accessible, attentive and responsive to those seeking to influence the processes of government and to those whom it serves. An administration constituted of such officials, and equipped to train successors, will be very different from that adequate for the Westminster model of representative democracy with narrowly limited functions for which the existing bureaucracy was originally designed.

2.2.12 These changes have important implications for the creation and use of 'Information' in government. By information we mean not just the statistical and file data which public servants use every day but the means for perceiving and ordering the varied demands which the community makes of the Public Service and also the information about its own activities which the administration feeds out to the community. We urge in Part B that officials should be much more sensitive to community needs than, on the whole, they have hitherto been (Chapters 6 and 7). We also emphasise the need for better use of information within the administration itself; this is not just a matter of efficiency but is central to accountability and political control. Furthermore we argue that the community, and in particular active groups, need to have access to information which until now has often been the privileged possession of public servants. (Chapter 10.7).

2.2.13 Such an administration may require both a different structure and different patterns of behaviour among those who form it. In the past the characteristics of the traditional 'career service'—entry governed by educational qualifications; promotion on the basis of assessed 'merit'; security of tenure and the expectation that, with occasional exceptions, senior positions will be filled from those whose working life has been wholly or predominantly in the service of government—all contributed to the development of senior officials as a professional class. Members of that class were conscious of exercising power, but believed that their own accountability to a minister, and his to his ministerial colleagues and to Parliament, provided legitimacy for that exercise. They also believed that their professionalism, knowledge and experience made them to a degree the guardians of the 'public interest' and the central thread of political consensus around which political parties weave their colourful variations. The traditional 'code of ethics' also, with its emphasis on anonymity and discretion, reflects these qualities in that professional class. It expresses a sense of obligation, and responsibility towards 'the Service' and to professional colleagues as well as towards the objectives and policies of ministers.

2.2.14 The breaking down of the simplicity of the relationship between ministers and their officials brings a new complexity in its lines of responsibility and a sense of conflict between the loyalties demanded. Long-trusted sign-posts, established conventions of behaviour can no longer be relied upon.

2.2.15 If the administration is to become flexible and responsive as well as responsible, it will be necessary to consider whether the principles which govern its staffing policies are likely to contribute to the development of these qualities. In its attitude towards staffing and organisation, as well as towards the substance of its work and in its approach to clients, the administration needs to be responsive to new trends within society; to an increasing reluctance among employees to work within the old-style strictly hierarchical organisations; to a growing awareness of the need for ordinary people to find satisfaction and fulfilment in their jobs; to the demands of individuals for more flexibility and variety throughout their working lives. The Commission has considered that the traditional ideas about such matters need to be re-examined and tested to see whether they are actually or potentially able to adapt to the new pressures upon them. The results of our deliberations and our recommendations for change in this particular area are contained in Chapters 8 and 9.

2.3 MAIN LINES OF CRITICISM

2.3.1 Some of the issues thrown up by the foregoing comments on the changing forms and lines of responsibility and accountability within the administration emerged also from the criticisms directed at that administration in submissions and other material before the Commission. Before proceeding to look in more detail at the issues and institutions with which we are concerned, there may be value in reviewing briefly the main lines of those criticisms. Two general preliminary comments should, however, be made.

2.3.2 First, the charge that the general level of effort and dedication shown by the members of the bureaucracy compares unfavourably with that in the private sector has not, in the Commission's view, been substantiated. Indeed, in some categories of staff at all levels extremely heavy work-loads are accepted. This is not to say that there are not idle and incompetent officers or that there are not areas of inefficiency. There is ample room for better organisation and improved methods but there is no obvious reason to believe that personal attitudes towards work generally stand in the way of their achievement.

2.3.3 Secondly, much of the criticism before the Commission—including a great deal that is constructive in tone and purpose—has originated from within the administration. Submissions from departments and agencies, from unions, from individual officers of the Public Service, are the major sources both of criticism and proposals for reform. In this connection the Commission has been interested in changes in practice and attitude which have occurred during the life of the Commission itself. Thus, for instance, later material from the Public Service Board has taken into account and responded to the content of submissions, reports of research projects and discussion papers arising from the Commission's work, and the Commission is aware of other organisational developments in progress in several departments. These changes encourage the Commission to believe that the personnel of the administration is capable of responding creatively to the problems which confront it.

2.3.4 Criticisms of the bureaucracy have been many and varied. However, they can be grouped by their relevance to those critical issues before the Commission to which reference has been made above. Thus, they have been concerned especially with:

(a) the capacity of the administration to perform its functions effectively and with economy in the use of resources;
(b) the relationship of the administration with other components in the machinery of government;
(c) the relationship of the administration with the community as individuals or groups, as consumers or producers, as taxpayers or beneficiaries;
(d) the record of the administration as an employer.

2.3.5 *The scope of government:* The most frequent criticism however is based on outright hostility to the size and cost of the public bureaucracy. This feeling is not peculiar to Australia and has inspired a variety of 'anti-big government' movements of both right and left in many western countries in recent years. We do not see this criticism as being properly directed at the officials of the Public Service. It is essentially a protest against the activities of government itself and can only be evaluated in terms of the propriety of government intervention in fields such as health, welfare, pensions, transport and countless and increasing others. The Commission believes that whether or not this growth is, in the broad, desirable and inevitable, questions about the scope of government in the modern state are in principle separable from the concerns of this Report. This does not mean that we are forced to defend the operations of the machinery of the state. On the contrary, accepting the fact of government intervention impels us to search for ways of improving its effectiveness and therefore to pay close attention to criticisms of it.

Inefficient Use of Resources

2.3.6 A related group of criticisms refer to the alleged inefficiency of the administration. It has been freely asserted that it is wasteful in its use of manpower and other resources; that its organisational structures are based upon out-of-date principles and are resistant to change; that excessive reliance on hierarchical authority structures leads to too much centralisation, to failure to delegate and to a waste of creative capacity in the middle and lower levels of staff. This question of efficiency, and the more precise significance of the term, are critical and bear upon the working of the administration in all its functions and in all its relationships. It will therefore form the subject of Chapter 3, The Efficient Use of Resources, and will be referred to frequently in the subsequent chapters which deal with particular issues and institutions: in particular, in Chapter 7, Administration Away from the Centre, where we discuss the need to devolve administration to State, regional and local levels, and in Chapter 11, Co-ordination and Control, where we return to the problems of the power relationships between co-ordinating and 'line' agencies. It is sufficient at this stage to say that the administration is frequently criticised as suffering from the characteristic weaknesses of large organisations—in a word, that it is 'bureaucratic'. The Commission is convinced that, while many of the individual criticisms expressed from outside the Service are exaggerated and based as much upon prejudice as upon knowledge, there is no doubt that government service is, with notable exceptions within it, like many other large organisations excessively centralised, excessively hierarchical, excessively rigid and inflexible, and excessively resistant to organisational change.

The Administration and Political Authority

2.3.7 Thirdly, it is argued that the administration, especially in its higher

echelons, has an exaggerated conception of its proper role in the processes of government; that it believes, consciously or unconsciously, that, independently of Parliament or the government, it is the guardian of 'the public interest' as opposed to sectional or vested interest, of continuity and stability in government administration, and of an assumed social consensus about certain basic 'supra-political' values. Some ministers, members of Parliament and others with firm political affiliations have expressed the view that senior officials pursue their own independent political objectives. Accordingly they expect to find them insensitive to the objectives of the elected government and inclined to resist, at least passively, when these objectives conflict with the officials' assessment of the public interest or the assumed consensus. This critical view of the administration is, in Australia, more likely to be held by members of the Labor Party whose programs have historically been more frequently directed to reform than have those of other parties. It was intensified between 1949 and 1972 because of that Party's long absence from office, during which many Labor politicians became convinced that senior officials, because of long association with more conservative governments, were likely to view change—especially radical change—with suspicion or hostility. They became convinced also that senior officials, from the exercise of their proper function of informing ministers of the difficulties involved in proposed change, tended to develop a persistently negative attitude to programs which involve it.

2.3.8 This line of criticism, while more common among Labor supporters, is not confined to them. Ministers of Liberal-Country Party governments, perhaps primarily those with a record of or inclination towards governmental intervention in social and economic affairs, have also voiced it.

2.3.9 There appear, following earlier changes of government and in the Commission's view certainly after December 1972, to have been periods of lack of confidence and poor communication between ministers and some senior officials of the administration. The Commission is convinced that an effective partnership between the elected government and its senior officials is fundamental to effective government, that significant elements in this partnership have in recent years been defective, and that blame for these deficiencies lies with all the parties involved. It will, therefore, in this Report, examine the attitude of the administration to the political instruments of government and the influences which bear upon it, the means of communication between it and those in the political arm of government, and the procedures by which the political objectives of elected governments can be translated with the aid of the administration into a program of action.

2.3.10 From what has been said earlier, it will be clear that the Commission observes that, for purely practical reasons, the administration inevitably plays a role in determining the character of the processes of government and that there is a lack of definition and clarity about the nature and extent of that role. Such lack of precision can be a significant source of misunderstanding and cross-purposes. It is essential that the role be recognised, sensibly delimited and appropriately controlled. We will suggest ways of achieving these ends in Part B of the Report. Furthermore, the Commission cannot dismiss as trivial the influences to conformity and conservatism bearing upon senior officials. It believes these influences to be real. Conservatism in its non-partisan sense clearly is an essential factor in the preservation of what is good in society and in the achievement of

orderly change in what is not. But an administration with a tradition of even-handedness in its attitude towards different governments will be handicapped in its performance if it can be criticised justifiably as conservative in the sense of being antagonistic to change. Accordingly the influences which tend to produce such antagonism need to be resisted. Changes in the content of training and the planning of career patterns will be necessary to provide counter-influences. More generally, if government affairs were conducted with greater openness and flexibility, officials would be stimulated and refreshed by more varied influences.

2.3.11 Despite a tendency to conservatism among senior officials, ministers and politicians, especially those who have not had extensive experience of office, have seemed seriously to exaggerate the problems they are likely to encounter in getting effective service from officials in the achievement of their political objectives. There are reservoirs of good will and traditions of respect for political authority which have been insufficiently trusted and inadequately drawn upon. As we note above, the Commission sees the establishment of an effective working partnership between the administration and the political arm of government as critical. These matters also form part of the argument in Chapter 3, The Efficient Use of Resources and are taken up in Chapter 4, Ministers and the Administration and Chapter 5, The Administration and Parliament.

The Administration and the Community

2.3.12 Criticisms of the relationships between the administration and the community covered the whole range of the administration's functions. There exist some doubts among officials as to whether and how they fit into the pattern of relationships between the public and the government. To the extent that members of the community have been concerned to ensure that their wishes and influence form part of the input of information on which decisions are based, officials have tended to remain satisfied that there are adequate established channels for that input, primarily through parliamentarians and ministers which, with appropriate limitations, officials could indirectly supplement. Frequently, therefore, officials have felt justified in standing aloof from the issues of communication between ministers and the community. This sense of satisfaction has rarely been shared by those who have sought to influence decisions at all levels of government—including decisions for which they believed officials were in fact responsible.

2.3.13 Evidence before us, for instance, in the responses to the Access Questionnaire[1] suggests that members of the community have seen even less justification for what they feel to be officials' lack of concern with community access to the services of government. The commonest criticism has been that many officials in face-to-face contact with members of the community seeking such access were unsympathetic to the needs, wishes and sensibilities of those to whom the services are directed, that the officials responsible at a higher level were either uninformed about or indifferent to complaints, and that procedures for informing and involving them were poorly developed.

2.3.14 The Commission is satisfied that all too frequently, although with honourable exceptions, these latter criticisms have been warranted. The blame lies not only with counter staff—indeed frequently they also are the victims of

1. See Appendix 2.C.

more basic deficiencies. Access to government services has often been badly planned; the work in relation to it has been undervalued, and those involved inadequately trained and supervised. When, none the less, they have demonstrated special competence, there has been little scope for appropriate reward in salary or promotional opportunity. The planning, organisation and supervision of work of this kind are essentially managerial functions having little in common with the role of the official as the minister's source of information and advice. It is this latter function which is most highly esteemed among officials as well as most highly rewarded and it is to this, rather than to management tasks, that ambition, study and other forms of training are directed.

2.3.15 The problem of the relationship between officials and the community which arises out of the desire to influence policy judgments and decisions can scarcely be resolved except in the context of a clearer conception of the nature and extent of the administration's role. There is an inevitable tension between what the Commission sees as the legitimate demands of members of the public to be fully informed about and even to participate in decisions that effect them, and the role of the official in adjudicating between conflicting demands for the allocation of scarce resources. This tension is explored further in Chapter 6, The Administration and the Community, and in Chapter 7, Administration Away from the Centre. We suggest ways in which the administration may be made both more efficient and more responsive to the needs of communities through devolution and delegation of administrative responsibility. We do not claim to have definitively resolved the problems even in principle. There are inherent conflicts and some tension will persist. Indeed that may be desirable, but the problem of achieving efficiency and sensitivity in face-to-face dealings with the public is more straightforward. It is a clear problem of management, and its solutions lie in better organisation, proper motivation, adequate training, efficient supervision and appropriate rewards. We return to these matters both in Chapter 6, The Administration and the Community and in Chapters 8 and 9, which deal with staffing problems.

The Administration as Employer

2.3.16 Apart from a number of submissions from individual officials with complaints about the particular treatment they had received, the Commission heard a variety of complaints about the administration as an employer. In particular, procedures were seen as cumbersome and outmoded; there were complaints about excessively rigid organisational structures and over-detailed control by the Public Service Board, stifling the initiative of staff and managers alike; there were allegations of bias in recruitment and promotion procedures, favouring the selection and advancement of certain social or educational groups at the expense of others; there was concern among many different occupational groups, in particular among fourth division or specialist professional staff that their opportunities for career development were unnecessarily limited.

2.3.17 From the outside came the criticism that the government as employer had become a 'pace-setter' in terms and conditions of employment to a degree which tended to produce a 'flow-on' to the private sector, inflating costs or acting as a deterrent to international competitiveness. This question is dealt with in Chapter 9.6.18.

2.3.18 The Commission is persuaded by the evidence it has heard, by the

extensive research program it has conducted in this area and in particular by some of the results of its Career Service Survey that there is a need to make the administration more responsive in its role as employer and for its policies to be more in line with modern employment practice.

2.3.19 The Commission is also aware that there is a need to strike a balance between equitable employment practices and the need to operate efficiently. Greater recognition and reward of skill and merit must be balanced by action to penalise failure. What the Commission has to say about accountability will make like more uncomfortable for some officials. But accountability is the price which must be paid for the more equitable, the more demanding and more rewarding staffing practices advocated in Chapters 8 and 9, Staffing the Administration.

2.4 SOME VALUE QUESTIONS

2.4.1 Most of the criticisms reviewed in the foregoing paragraphs can be tested objectively. But some of the criticisms derive from more subjective considerations, and opinions will differ as to whether change should be sought at all and especially about the lines on which it should proceed.

2.4.2 These criticisms derive from different value systems held by the critics and have given the Commission deep concern both because of the inherent difficulty of their subject matter and also because we are conscious that our views about them and possible responses to them will reflect our own value systems and that we will therefore almost certainly differ, to some degree, among ourselves. Because of the pervasiveness of the issues involved, responses to these criticisms will, too, affect judgment about many of the issues raised in later chapters of the Report. They raise quite fundamental questions about the composition of the administration and the professional ethos and standards of behaviour of those who staff it. These issues are the more important to the extent that officials exercise power, in their capacity as advisers or as managers and administrators, which is not simply an expression of conscious ministerial decision.

2.4.3 The most fundamental criticism deriving from these value considerations is that the administration is, consciously or unconsciously, the instrument of dominant social groups and the values which they espouse: that its composition reflects this domination; that its methods of recruitment, placement and promotion ensure its continuance; that its isolation from the community, the weakness of the lines of accountability to ministers, Parliament and the public, and its dislike of 'lateral' recruitment protect it from influences alien to it; and that the ethos and standards of behaviour urged upon its recruits, with emphasis on 'neutrality' and anonymity, tend to promote uniformity and to discourage internal dissent.

2.4.4 The Commission believes:

(a) that the administration should serve a government dedicated to such change or reform as competently and devotedly as one which aims to preserve the *status quo* or to achieve a more gradual rate of adaptation;

(b) that men and women who favour and work for change and reform should be as welcome within it and have as good prospects as those of more conservative disposition.

2.4.5 The study of the Career Service sponsored by the Commission and data assembled by the Public Service Board enable objective judgment to be made

about some aspects of the social composition of the administration. In brief, it suggests that there is some basis for the criticisms stated above about the administration generally, and about its top levels in particular. Certainly it can be said that:

(a) obviously disadvantaged groups such as aboriginals, migrants and women are less than proportionately represented in the administration and almost entirely absent from its senior levels (see Chapter 8.3);

(b) persons educated at independent schools appear to hold a disproportionate share of senior positions compared with those educated elsewhere though this share may have declined;

(c) Catholics appear to hold proportionately fewer senior positions than persons of other religious denomination though possibly less so now than previously;

(d) views expressed by senior officers on questions relating to the efficiency and fairness of practices in the Public Service and on 'ethical' questions are markedly less critical of the *status quo* than those at lower levels; there is a similar division between older and younger officers.[1]

2.4.6 In Chapter 8, we draw attention to the importance of an appropriate social and intellectual background and access to high-quality educational facilities in enabling recruits to meet standards of entry, to acquire qualifications for special work and those helpful in promotion. It cannot be doubted that such backgrounds and access to the more successful educational institutions are more likely to be gained by those who are already privileged and that, while these standards and qualifications continue to be applied, the composition of the administration will continue to reflect that privilege. There is clearly a dilemma to be faced. To attempt to achieve a composition which mirrors that of the community generally may involve the loss of competence and prove a recipe for inefficiency. On the other hand, to take no action means that we must, for instance, accept as inevitable the continued absence of women from the upper levels of the Service and of migrants and aboriginals from all levels.

2.4.7 The Commission has concluded that many factors tend to isolate members of the administration from the community. This isolation—physical, social and organisational—is real and particularly unfortunate because it stimulates the emotional excesses of a 'we-they' dichotomy, encouraging among administrators a sense of belonging to a distinctive, privileged and authoritative class of officers of the state, and among the community a sense of frustration and of inability to communicate with officials whom they come to regard as aloof and unpredictable.

2.4.8 The concentration in Canberra of the central sources of authority, the separate of the point of decision from that of first or personal contact, the concentration of lines of responsibility and accountability exclusively towards ministers rather than also towards the public, and organisational weaknesses encouraging an apparent unresponsiveness among officials in contact with members of the community, all contribute to this dichotomy and to the inward-looking character of the administration, especially in its most senior levels. The strong preference for promotion from within, despite modifications in recent years, which exists within key departments and with the administration as a whole undoubtedly strengthens this cultural and intellectual inbreeding. The

1. See Appendix 3.A, Paper 1, Demographic Tables and Tables G1, 2.

problems of responsibility and accountability to ministers, Parliament and to the community have been discussed above (see sections 2.1 and 2.2). Enough was said there to make clear the Commission's concern. These matters, too, receive attention in Part B of the Report—particularly in Chapters 4, 5 and 6.

2.4.9 There remains the vexed question of whether there is or should be an 'ethos'—a prevailing moral attitude—among officials towards their work, which expresses the obligations they should accept towards it and towards those among whom and for whom they perform it; and if so what its content should be and whether it can or should be embodied in a code of behaviour sanctioned and enforced by legislation or firm convention. This issue arose in the Commission's work most frequently in relation to the claim that officials should be 'neutral' on political issues. On the one hand, such neutrality was seen as basic to the capacity of the administration to serve equally well governments of different political persuasion. On the other hand, it was argued that a claim to be neutral frequently was either false or reflected merely a singular lack of self-awareness; that the closest an honest man or woman can come to neutrality on any particular issue is an awareness of his or her own convictions or prejudices. It was clear that some in the administration had joined it partly at least in the hope of being able to exercise some influence on the patterns of change in society. These would argue that such a purpose was legitimate and did not inhibit competent and responsible work; that awareness of their own convictions, respect for ministerial and other political authority, and a professional attitude provided a better guarantee of integrity than a specious pretence of neutrality.

2.4.10 But the question of an appropriate ethos is wider than political neutrality. It is characteristic of professional and occupational groups that they tend to develop an ethos, or prevailing sense of obligation, to their work and to one another and that this ethos is sometimes expressed in the form of codes or generally accepted conventions of behaviour. This tendency is perhaps most popularly recognised in the standards required of legal and medical practitioners, but similar standards exist in many other professional and occupational categories. Usually such an ethos and the relevant codes of behaviour serve two purposes—to express a consensus about a style of behaviour most conducive to the effective performance of the group's social functions, so justifying community respect; and, secondly, to protect the status and privileges of members of the group.

2.4.11 Whether such a consensus exists in the administration as a whole must be doubted. The administration includes many occupational groups whose interests and loyalties as members of those groups sometimes take precedence over those they may owe to the administration as a whole. The social composition and the work patterns of the administration are and have been changing rapidly as have also the age and sex profiles. A consistent and uniform ethos among so large and diverse a group is improbable.

2.4.12 It is important to consider how an ethos comes into existence. It seems likely that it develops naturally during the training and early experience of recruits to the extent that they are exposed to and influenced by the attitudes of admired seniors. This is most likely within groups which actually or potentially are reasonably uniform in socio-economic status as well as in professional or occupational interests. In the administration there is little opportunity for recruits

to be personally influenced by top-level officials, and the great majority of such recruits will quickly become conscious of the limitations to their career potential which confine their sense of identity of interest to narrower groups.

2.4.13 The Commission doubts, therefore, whether in any significant sense there is an ethos which pervades the administration as a whole although there is evidence of some elements of the requisite consensus among the most senior categories—yet even there, difficulties and disparities are common.

2.4.14 The Commission also has doubts as to whether it is legitimate or practicable to seek to create or impose an ethos which, of its nature, expresses the existence of a consensus. Attempts to impose such a consensus are likely merely to provoke hostility and to lend strength to any different attitudes which in fact exist—perhaps in antagonism to that desired.

2.4.15 Nonetheless, officials at all levels will from time to time be faced with situations when they will be puzzled about how they should behave. Thus, for instance, the Commission had its attention directed to widely differing judgments among officials as to how they should respond to the assertion by the Whitlam government of the policy of 'open government'. Similarly, there have been occasions when senior officials have believed that ministers have acted or proposed to act in ways which seemed to the officials concerned irregular or even illegal. There will also be occasions when senior officers will believe that members of their staffs have behaved improperly to a degree calling for rebuke or disciplinary action. Officials faced with such problems are entitled to guidance.

2.4.16 The Commission recommends against any official attempt to codify standards of behaviour beyond those appropriate in general conditions of employment or a special contract. However, it believes that a modest but realistic contribution can be made to meeting these problems. The Commission suggests for consideration the following: R1[1]

(a) that training courses for officials devote attention to the ethical problems facing officials, but that the approach of such courses should be non-doctrinaire and should differentiate between officials at various grades and in various occupational groups;
(b) that discussion of these issues be stimulated;
(c) that any definition of 'improper' conduct should be non-specific and the procedure for judging whether an offence has been committed should give weight to the judgment of the peers (that is, persons of similar occupation and seniority) of the person charged;
(d) that the Public Service Board, in collaboration with the relevant staff associations, should provide facilities for counselling about ethical problems on a voluntary, confidential and informal basis;
(e) that officials who are concerned about ethical problems arising in their relationships with ministers should have an established procedure for obtaining guidance from statutory officials such as the Chairman of the Public Service Board, the Auditor-General or the Solicitor-General, who,

1. A marginal 'R' indicates a recommendation or suggestion by the Commission. A summary of recommendations and suggestions can be found at Chapter 12.3.

in cases where they considered it warranted, could arrange for the official concerned to see the Prime Minister.[1]

2.4.17 Even with these measures, the Commission believes that conscious action is necessary if the administration is to counter the criticism that it reflects the values and serves the purposes of the existing social establishment and is to maintain its technical and professional competence. This will not be easy. The administration is composed of a complex of institutions dealing with growing tasks of increasing complexity in an environment becoming progressively different from that in which the institutions themselves developed or were created. Institutions can be changed but slowly, and a shift in basic attitudes among ministers and senior officials will be required to achieve such change.

2.5 CONCLUSIONS

2.5.1 The following summary brings together considerations which, in the Commission's view, justify significant reform within the administration and suggests some guidelines about the content of that reform. In Part B of this Report some of these issues and their effects on the institutions concerned are explored in more detail.

1. The concept of the administration as simply an extension of the capacity of a minister fully responsible and accountable to Cabinet and to Parliament for matters within his portfolio is unrealistic and misleading. It is necessary, therefore, to acknowledge and delimit the area of responsibility of officials and to establish the means by which they are held accountable for their actions within it.
2. The widespread and increasing demand within the community, by individuals and groups, to participate in the decision-making processes of government modifies the exclusiveness of the relationship of officials to their ministers and requires reforms in the relationship between officials and the community.
3. The extension of the role of government as a provider of services to the community strengthens the importance of the managerial role of officials compared with that of informing and advising ministers. It is necessary to review the adequacy of organisation in departments and agencies, and the patterns of training, experience and rewards, so that this managerial function is more adequately recognised and performed.
4. The extension of services increases the amount and importance of face-to-face contact between officials and those receiving the services. There is a need greatly to improve the efficiency of access to and delivery of these services and to give greater sensitivity and responsiveness to the style of delivery.
5. The prevailing pattern of organisation within the administration is unduly centralised and hierarchical. This involves a waste of human capacity in the middle and lower levels of staff and frequently creates a sense of frustration and lack of purpose. It is necessary to devolve responsibility and decentralise the focal points of decision. Greater diversity and flexibility in organisational styles for tasks of different character would also contribute to greater efficiency and job satisfaction.
6. More efficient and economical use of manpower is possible. The means by which this can be achieved are examined in Chapter 3, The Efficient Use of Resources.

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1. See Chapter 4.2 for a further discussion of ethical problems and 'conventions'.

7. The present characteristics of the 'career service' enable the administration to function to some degree as a self-contained elite group exercising significant power generally in the interests of the *status quo* but without effectively being accountable for its exercise. Effort is necessary to ensure:
   (a) that obstacles which prevent the administration reflecting generally the social composition of the community are steadily reduced and eliminated;
   (b) that there is reasonably free movement into and out of the administration, between it and other types of employment;
   (c) that by such mobility and by training and continuing education, officials are exposed to more diverse sources of stimulus, and helped to respond to social change;
   (d) that officials can be called to account for their performance.

Part B
Major Issues

Chapter 3 The Efficient Use of Resources

3.1 CONCEPTS AND DEFINITIONS: EFFECTIVENESS, ECONOMY AND EFFICIENCY

3.1.1 Many of the submissions and other material before the Commission allege that Australian government administration is inefficient; that its use of manpower is excessive; that much of the time of those employed is wasted; that there is purposeless duplication of functions; that the work of individuals, organisational units, departments and agencies is not effectively controlled or co-ordinated; and so on. Most of these criticisms can validly be directed at one time or another at most human institutions in the private as well as the public sector—particularly perhaps at large and complex institutions. However, the cumulative impact of these criticisms of government administration, some of which come from officers in the administration itself, is impressive. Indeed it can be said that a belief that government processes are inherently inefficient forms part of contemporary folklore.

3.1.2 The Commission's direct personal experience of those processes is limited and the studies it has initiated of them are necessarily less than comprehensive. Nevertheless the material before it leaves it firmly convinced that there is scope for substantial improvement in standards of efficiency, despite its conviction that some of the criticism reflects prejudice rather than informed judgment. Our approach is therefore rather to seek a prescription for that improvement than to deplore existing deficiencies. We deal with the question at the outset of this part of the Report because the conclusions we reach are relevant to our consideration of all the functions which the administration performs.

3.1.3 Efficiency is not an easy concept. Some specialist writers on administration, rightly seeking to avoid imprecision in discussion, have analysed and distinguished between elements of the concept as generally held. The new definitions that some of these writers proceed to give words such as 'efficiency' itself and 'economy' differ from standard usage and also from meanings which the words have in other specialised disciplines such as economics. It is possible to maintain the conflicting currencies inside the borders of each specialist literature, but this Report is not addressed to any single group of readers. To depart very far from ordinary usage is not desirable; but we must still be specific as to what we consider this usage signifies.

3.1.4 For the purposes of this Report, effectiveness is one of two distinguishable elements in efficiency. Effectiveness is concerned with the relationship between purpose and result. Thus, an action or program is effective if it achieves the purpose for which it was initiated. But efficiency involves additionally a consideration of the resources used in achieving the result. A program is efficient only if its effectiveness is achieved with an economic use of resources. Efficiency is therefore also concerned with the relationship between resources used and the

results achieved: between 'input' and 'output'. It comprehends both economy in this sense and effectiveness.[1]

3.1.5 Effectiveness and efficiency are matters of degree. Few programs or courses of action are perfectly effective or perfectly efficient. Furthermore, it is often found in practice that some choice is involved between them. A program to prevent tax evasion, for instance, is unlikely to be 100 per cent effective; beyond a certain point it would become increasingly difficult, and would involve the use of progressively more resources, to improve the percentage of effectiveness.

3.1.6 While effectiveness and efficiency are quantitative concepts, it is not always practicable to measure them. In purely commercial enterprises this can usually be managed, because the objectives, the results and the resources used can all be expressed in money terms. The prime objective in such enterprises is money profit, and the resources of labour, materials, equipment and working capital employed, and the resulting produce marketed, can all be related to one another in money terms. Measurement, and comparison between alternative ways of using the resources involved, are therefore practicable.

3.1.7 This is not so easy when the objective is difficult to quantify—especially when quality is important in the output or when there are multiple objectives. In the processes of government, objectives are frequently by their nature difficult to quantify, and a program or course of action will almost always be directed towards several purposes which to some degree compete with one another. Subsidiary objectives are, of course, not peculiar to government. Even in the private sector one would not judge a medical practitioner's efficiency by the number of patients dealt with per hour of consultancy time, or by the money income he derives from them. A manufacturer, although profit may be his primary objective, will wish also to establish a respected corporate image and to maintain harmonious industrial relations with his employees. Indeed, he may well be prepared to sacrifice some profit to achieve these subsidiary, competing purposes. Nevertheless in the private sector the effect of the relationship between input and output on the resulting profit of the enterprise can be accepted as a generally acceptable test of efficiency. In government there is no such predominant test. The circumstances of the official resemble much more those of the medical practitioner whose objectives in relation to an individual client's immediate problem must take account of the client's general welfare and family and social relations, as well as social and professional considerations relating to the practitioner himself.

3.1.8 It is important to note that progress towards these unquantifiable organisational goals may often be assessed only by way of some kind of reaction from or dialogue with relevant groups of people, both inside and outside the organisation. Again, like the medical practitioner, government organisations often can only evaluate and appropriately modify their performance by *asking*

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1. In the specialist literature some, but not all, writers on administration use 'efficiency' in a sense which divorces it from considerations of effectiveness. They focus the word's meaning on the relationship between input and output, so that the ineffectiveness of an operation (failure to achieve its object) need not affect its claim to efficiency. Their meaning of 'efficient' corresponds to what other people (including economists) would call 'economic'. Some of the same writers on administration define 'economy' in ways which refer to scales of input only, without any relation to corresponding outputs.

their clients: 'Where does it hurt?'. Efficiency in the public sector, even more than elsewhere, is elusive. It is a dynamic and not a static concept. The vigilant manager will have no absolute standards in his field of responsibility. He will be continually seeking not only to improve performance but also to review the very bases of his judgments to ensure that the measures he employs remain relevant and economical for all the purposes of his organisation. In this continuing quest for efficiency, the good manager will also know that it is necessary to enlist a corresponding alertness and mental initiative among those who work with him in each of the various levels of the organisation.

3.2 PREREQUISITES OF EFFICIENCY

3.2.1 While it is difficult, if not impossible, to write a definitive prescription for efficiency in administration, it is possible, from *a priori* reasoning, from the experience of successful administrators in the private and public sectors, and from evidence and reports based upon the responses both of administrators and clients, to suggest factors which are likely to contribute to it. Thus, it is axiomatic that efficiency is unlikely to be achieved if those engaged do not know to what end or ends their efforts should be directed, or appreciate the relationship of those ends to the wider purposes of the government's programs.[1] At present such direction, to the extent that is is in fact expressed, generally emerges progressively in informal contact between a minister and the head of his department.[2]

3.2.2 Of primary importance to efficiency in the bureaucracy, then, is clarity in the objectives of the government and in the priority which is to be attached to them. Clear and effective processes will be required by which the government establishes and reviews its objectives and their priorities. To provide an adequate base for administrative performance, such objectives must be more than general directions for a department or agency as a whole. They must be capable of expression in sufficient detail to provide a program of work not only for the department or agency but also for sections and units, functional and geographical, within it. Only if this is possible will departments and agencies receive adequate political direction on which to base their administrative

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1. See: Fourth Class Servants of the Public Service, paper by Fourth Division RCAGA Staff August 1975, p. 38, in Commission's Collected Papers.
2. The absence of conscious effort to formulate objectives is illustrated by the reply of one departmental head to a request from the Commission for a statement setting out his department's objectives:

   > 'Perhaps as it refers to an organisation it (this request) was not intended for me as I have not previously encountered the suggestion of objectives for a Department of State.'

   On the other hand, Mr P. J. Lawler, Secretary of the then Department of the Special Minister of State was conscious of this absence. He wrote of

   > 'the lack of explicit goal formulation and goal analysis in the Public Service, leading to:
   > - undesirable tendencies to continue government programs after the need for such programs had passed;
   > - the lack of 'management by objectives' philosophy in the public service;
   > - a continuation of traditional line-item budgeting procedures that defy any attempt to analyse the effects of overlapping government programs through a focus on program effects rather than on line items which make up a program; and
   > - a continuation of tendencies to separate the planners from the doers resulting in reduced feedback to update rolling plans.'

   (Supplementary Submission No. 669, 5 May 1975; Commission Document 679, p. 4, 21 October 1975.)

processes, or will individual officers receive an adequate stimulus to effort and an ability to relate their individual performances to group objectives.

3.2.3 Secondly, government administration is likely to be more efficient if the decision makers and managers at various levels have the scope to exercise initiative within the range of work for which they are primarily responsible. In the performance of any task there will always be a variety of forms of organisation, procedures and combinations of resources capable of achieving it. At any time there will always be the possibility of some capital, organisational or human innovation which will enable the task to be achieved more effectively or more economically. The recognition of such possibilities and the capacity to realise them are seen in economic writing as the essence of the entrepreneurial function. This function has long been the driving force of increasing productivity and efficiency in the private sector. The Commission believes that opportunities for it exist at all managerial levels in government administration and that capacity to perform it is as widely spread among those employed there as in the private sector. For that capacity to be realised, however, significant organisational changes will be called for, in which something can be learned from the practice of the private sector.

3.2.4 In accordance with that practice, or at least traditional accounts of it, the chosen manager of an enterprise is given, within broad policies and objectives, significant freedom to use reason, experience and intuition in decisions on how to organise the resources at his disposal. He is, however, held accountable for the results. His status and future will depend upon those results (even if they are not wholly or substantially attributable to his decisions). In any situation where personal judgment and intuition must play an uncertain but significant role in the processes leading up to decision, it is difficult to devise an alternative which, in the interests of efficiency, could rationally be preferred. The Commission believes that efficiency in the public sector will be increased if decision makers at various levels are given similar scope to act entrepreneurially.

3.2.5 Material placed before the Commission suggests also that efficiency depends upon adequate authority being devolved upon or delegated to officers at various points of decision—indeed, that the aim should be to shift the authority to decide as close to the geographical periphery and as low in the hierarchical structure as possible.[1]

3.2.6 A range of discretion is desirable at each point of decision. The degree of discretion to be allowed is a matter of judgment in particular situations. The Commission is conscious that a sudden transfer of responsibility to officials 'down the line' may impose excessive burdens on them and lead to temporary but embarrassing inefficiencies. (This seems to have been the experience in Canada following the Glassco Report.) However, the precise recommendations set out for the transfer of responsibilities from co-ordinating authorities to individual departments in Chapter 11, and from the centre to the periphery in Chapter 7, illustrate that effective action can be taken by coherent planned stages.

3.2.7 Initial uncertainties or mistakes, which in any such change cannot be

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1. See: *A Regional Basis for Australian Government Administration*, RCAGA Task Force Report, August 1975, reproduced on microfiche and see also Appendix 2.H; Access Report, Appendix 2.C; H. R. Dent, Delegations in the Australian Public Service, September 1975, Appendix 2.I.

completely avoided, should be weighed against the successes and the basis for improvement provided by the mistakes themselves. Ingrained resistance to delegation often reflects a fear of the unknown and the untried, or an insufficient understanding of the two faces of delegation—that the scope for exercising discretion involves the corresponding discipline of being held accountable. The Commission believes that some degree of discretion should exist at all levels. Only then can decisions take adequate account of the special circumstances of the individual case; only then can managerial innovation be encouraged and more junior officers be given experience in decision making. The opportunity to exercise judgment and discretion in the pursuit of objectives should therefore not be regarded as a characteristic only of senior 'managerial' positions. Officials at *all* levels may exhibit 'managerial' behaviour to a greater or lesser extent (for example, in planning, decision-making and evaluation), so that the benefits of entrepreneurial freedom and challenge are not limited only to those designated in some formal way as 'managers'.

3.2.8 Delegation and devolution if they are to be effective, will depend upon an adequate flow downwards of information from top management about objectives, priorities, and the principles on which individual decisions should be made. Similarly, the progressive modification of policies at the top and the adequate monitoring of performance at lower levels will depend upon information which top management derives from those at lower levels and from the geographical periphery. It has been submitted to the Commission that new technologies now make more practicable this two-way flow of information.[1]

3.2.9 Thirdly, efficiency will be promoted to the degree to which staff identify themselves with the objectives to which their own efforts are directed, and with the procedures by which those objectives and the related tasks have been formulated and allocated. The Commission is conscious of markedly different styles among departments and believes that, in some, efficiency could be improved by the greater use of managerial techniques concerned to promote staff involvement. Some of the techniques have been derived from extensive work by social scientists and require the services of trained and experienced people to establish and apply them. We have considered examples of such techniques, and have noted experimental work in the Public Service Board and some departments,[2] and we comment on the issues in Chapters 4.3.10–13 and 9.6.81–87.

3.2.10 Fourthly, efficiency will be enhanced to the extent that the staff involved in the various activities are properly recruited, trained, organised and promoted. This involves improved managerial techniques and greater opportunities for departmental managers to act entrepreneurially in their fields of responsibility. While management needs a special kind of judgment in the use of resources, successful managers themselves do not necessarily need detailed knowledge of personnel matters, including those techniques referred to in the preceding paragraph. It will, however, be essential that managers be responsible for the

1. See: James Cutt, Program Budgeting in the Australian Federal Government, August 1975, Appendix 1.C; and Keith Heydon, Public Sector Management and Related Information Requirements, December 1975, Appendix 1.E.
2. See: Appendix 3.L, Changing Organisations; and Department of Urban and Regional Development, Submission to RCAGA, No. 426.

areas of work under them and that they have access to sources of expertise. As we have already indicated, the Commission sees the Public Service Board as a central source of such expertise. The departmental manager, too, will need to take account of the needs of the administration as a whole and of the impact of action he may wish to take on other parts of the administration. A balance between discretion and the recognition of the need for discipline will be called for. In these matters also we see a special role for the Public Service Board. They are dealt with more extensively in Chapters 8 and 9 in relation to staff and organisation practice and in Chapter 11 in respect of the need for discipline and co-ordination.

3.2.11 Finally, it is likely that efficiency will be stimulated if it is known that performance will be assessed and that those responsible can be called to account for it, that is if officers at all levels are held accountable for their actions and decisions. Judgments in the process of accountability can be given greater precision in those activities which are measurable, or where performance in them can be assessed by measurable indicators. There is clearly scope for the development of measures of performance, both individual and organisational, in administrative activities, both directly and by the examination of relevant indicators. Accountability can be a stimulus to efficiency, but justly and effectively only if the outcome and the assessment on which it is based are seen to bear upon professional standing, opportunity for promotion, salary and other rewards and indicators of achievement. The significance of such accountability for discipline, and the review of administrative decisions as they affect staff employed are taken up in Chapter 8.4 and 8.5.

3.2.12 To summarise, the Commission considers that efficiency is likely to be promoted if:

(a) the objectives to which work is to be directed and the priorities attached to them are stated clearly;
(b) decision makers at all levels have scope to act entrepreneurially;
(c) officers are able to identify themselves with the objectives to which their personal efforts are directed, and with the ways in which these objectives have been determined and the related work organised;
(d) staff involved are appropriately recruited, trained, organised and promoted;
(e) managers at all levels have access to both the information upon which their actions should properly depend, and to the appropriate expertise in managerial and related techniques;
(f) performance at all levels is regularly assessed and those responsible are held accountable for it in ways which ensure that the assessment bears upon their rewards, standing and future.

3.2.13 The remainder of this chapter will be devoted to a consideration of means whereby these prerequisites can be achieved.

3.3 THE ESTABLISHMENT OF OBJECTIVES AND THEIR PRIORITIES: THE SIGNIFICANCE OF FORWARD ESTIMATES

3.3.1 The establishment of objectives, their embodiment in programs designed to achieve them and the determination of priorities between such programs are essential functions which link the political and administrative aspects of government. The starting point has usually been a party program and a policy

speech. But to provide working objectives the content of the policy speech must be translated into a series of programs of tasks to be performed: into timetables of work. Such programs should provide the means of informing the administration about what is expected of it, enabling it to establish subsidiary programs and timetables for the various organisational units at all levels. The programming process, however, has not so far in Australia been carried out consciously or systematically.

3.3.2 The Commission is aware of and has studied the processes involved in the forward financial and manpower estimates obtained separately by the Treasury and the Public Service Board, and notes that both authorities regard the further development of the respective estimates as being necessarily an evolutionary process. The Commission considers that there is an urgent need for the two related resource inputs to be dealt with together. Neither a party program nor a policy speech is a blue-print for performance. Each will be in part declaratory and persuasive in character. Its specific proposals will have been designed to be put into effect over a period of time, in an order subsequently to be determined in the light of political and economic constraints. Yet a blue-print for action—even allowing that it will be subject to progressive modification—is necessary if resources are to be allocated rationally.[1]

3.3.3 The development of such a blue-print is essentially a budgetary process. It is only in the preparation of a budget that the determination of priorities becomes precise and realistic. It is here that the government must decide what proportion of the actual or potential gross national product, and of the available workforce, it is prepared to allocate to its purpose and how it will distribute the resources thus pre-empted between its various objectives and their related programs.

3.3.4 However, the annual budget in its present form is not a suitable instrument for the development of the government's blue-print. Its time-scale is limited, and it will not be capable of comprehending the longer term implications of the government's programs. Its processes do not bring continuing expenditures effectively under review, or provide an adequate opportunity to reassess programs introduced in circumstances which are now changed or no longer relevant.[2] Above all, it is the prime instrument of short-term economic policy, and its content frequently is dominated by short-term considerations. These can

1. See the submission to RCAGA by the Professional Officers Association: 'Without adequate central co-ordination there is a strong possibility that the competing claims of departments and of States will distort the allocation of resources and priorities from that which is set for meeting the Government's objectives.' (Submission No. 249 p. 2.)

2. In a report prepared by the Parliamentary Library for a member of the Senate it was stated: 'The Budget plans are presented with the introduction of Appropriation Bills Nos. 1 and 2 usually in August. The Parliament then has an opportunity to debate the Budget and vote on the Appropriation Bills. Authority to spend from these Acts expires at the end of the financial year. However, Appropriation Bills Nos. 1 and 2 cover only about 40 to 45 per cent of total Budget expenditure. (This can be seen from Table 1 of Budget Paper No. 4.) Some associated Bills for expenditures or taxes may come before the Parliament for voting at about the same time. However, a large proportion of expenditure cannot be voted upon at Budget time as it remains authorised by previously passed Acts of Parliament—although it is recorded in the Budget Papers and there may be various other opportunities to criticise it in Parliament. This might be seen as a problem if there are certain expenditures hidden amongst them that were approved by Parliament years before but have since lost their original relevance, or perhaps the need for them might be viewed differently in the light of current priorities.'

(Tabled in the Senate, 5 October 1975, Australia. Senate, *Debates* 1975, No. 23, p. 1773.)

produce a use and allocation of resources which is different from those called for by the government's objectives and priorities, and which sometimes tend to frustrate their achievement.

3.3.5 Furthermore, the fact that the annual budget embodies only financial decisions means that it accepts without conscious ministerial review or commitment judgments about the manpower required to administer the programs and activities involved. For both political and practical reasons, such manpower requirements both in total and in certain categories impose their own constraints. At present the responsibility for decisions relating to manpower use is not consciously accepted by Cabinet in a meaningful way. Its intervention is intermittent and exercised through 'staff ceilings'. As pointed out to the Commission by one of its consultants, the allocation of permitted percentages of growth between departments in times of manpower constraints has usually involved decisions which reflect the relative importance of the government's various programs *as the Board sees them.*[1] Similarly, at the level of departments themselves, the allocation of permitted growth among their divisions reflects and in effect determines departmental priorities. While departments doubtless seek to be guided by government and ministerial attitudes, they must largely interpret these for themselves, though lacking the means to balance their own claims against those of other ministers and their departments. Thus, the submission from the Secretary to the Department of Environment and Conservation states in relation to staff ceilings:

> 'There is an obvious inconsistency between such an arbitrary growth figure and the continued commitment of Departments by the Government, to the implementation of a new policy initiative—unless at the same time there is a clear and decisive commitment to reduce or terminate some existing programs and reallocate the staff resources accordingly.
>
> I have no evidence of any organised attempt by the Government or the Board to do so. It seems to remain a matter for the Permanent Heads, who are placed in the unenviable position of having to choose between trying to do everything which the Government has required their Departments to do in the past, as well as to take on board new programs, or to reduce or abandon existing commitments without any clear direction or mandate to do so. It seems essential that some machinery be devised to review all existing programs on a regular basis, in order to reassess their significance, relevance and priority.'[2]

Clearly, effective political direction requires conscious decisions about the use of manpower as well as of money, and these decisions must relate to specific purposes and programs so that ministers will in fact be conscious of what they are deciding, and significant decisions of a political character will not, by default, be made by officials.

3.3.6 The Commission considers that in the development and use of Forward Estimates there exists a potential instrument for developing a blue-print for action.[3] The production and monitoring of Forward Estimates can be made

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1. Kenneth Wiltshire, Staff Ceilings, July 1975. See also Manpower Planning by the same consultant. Both reports are at Appendix 1.D.
2. Submission No. 390, p. 11.
3. See *The Processes of Economic Policy Making in Australia*, RCAGA Task Force Report, December 1975, paragraphs 1050, 1059–60. See also Appendix 4.A for the conclusions and recommendations of the Task Force.

relevant to economic management not only at the highest (macro-economic) level but also down to the efficient use of resources in detail. To embody political preferences, these processes would require the attention of ministers, especially the most senior, as well as senior officials. Because of their importance for much of this Report, we shall later (Chapter 11) consider in some detail the appropriate machinery for this preparation and approval, and assess their relevance to longer term planning and annual budgeting. Here we are concerned with their relevance for the efficient use of resources. For this purpose (and even more for the wider economic context) it is necessary that:

(a) Forward Estimates are prepared within guidelines set by Cabinet about the proportions of potential gross domestic product and the total workforce to be allocated to governmental purposes and about the government's current political objectives;

(b) they assess departmental needs in both money and manpower;

(c) they become the main vehicle for the competitive bidding for available resources between ministers which now takes place in the preparation of the annual budget;

(d) their preparation involves ministers, and their adoption becomes a matter for Cabinet;

(e) they are accepted when endorsed by Cabinet as embodying the government's priorities, and therefore as a basis for ministerial and departmental planning.

With the Forward Estimates so up-graded and given greater precision, the preparation of the annual Budget would be concerned primarily with assessing how the content of the relevant part of the Forward Estimates needed to be modified in the light of considerations of economic management.

3.3.7 It is important to note that this process would involve ministers and officials working together. Thus the preparation of departmental estimates should involve collaboration between each minister and his senior officials and would provide an effective means for officials at the departmental level to be brought into contact with, and to respond to, the government's political objectives and those of their ministers. At the same time, it would allow ministers who may lack experience of the constraints of administrative practicalities to become acquainted with the need to fit action to achieve objectives into a manageable timetable and to the parameters of Cabinet guidelines.

3.3.8 The fact that Forward Estimates would require departments (and governments) to document, in advance, the longer term implications of their proposals should reduce the risk that only the 'tip of the iceberg' was funded by an *ad hoc* Cabinet decision in the Supply Year, leaving unforeseen and inescapable associated commitments to be funded in following years. In this respect it is a development of the reports of forward commitments now being required of departments by Treasury.

3.3.9 It would be necessary to revise the Forward Estimates in respect of both finance and manpower at least annually, and the Cabinet consideration of them would again be the main occasion for major policy revisions requiring changes in the allocation of resources. The adoption outside the Forward Estimates of new policy initiatives would in theory, and sometimes in practice, call for a recasting of the Forward Estimates themselves and of the priorities they expressed. In

submitting such initiatives to Cabinet, ministers and departments should therefore be expected to include estimates of the financial costs, the additional employment involved and proposals for consequent adjustments to the Forward Estimates (including any reductions in other items or, alternatively, increases in the share of gross domestic product and available manpower to be reserved for the government's use). The problems involved in the progressive revision of Forward Estimates could be reduced if departments included in their initial bids a judicious provision for contingencies and new developments. The aggregate provision included in the Forward Estimates approved by Cabinet for such reserves would provide a source within which revisions could be accommodated.

3.3.10 The preparation of the ministerial bids for inclusion in the Forward Estimates, and their subsequent revision, would provide the opportunity to develop, for various working units within departments, subsidiary statements of objectives and programs and timetables of work. In the development of some of these programs it would be possible, in some instances, to design a 'critical path' to the completion of the various tasks involved, so as to give a greater sense of urgency and purpose to the work of the various units and to provide managers at all levels with a scale against which performances could be measured. Furthermore, experience appears to suggest that timetables of work of this kind provide the opportunity to set up short-term groupings of staff on a non-hierarchical basis to carry particular tasks to completion. There is evidence that a 'task force' approach in appropriate instances can generate a positive response from staff.[1]

3.3.11 The Commission has been interested in experiments for the development of objectives as a tool of management and in the use of non-hierarchical groupings in some departments and agencies. It has, in collaboration with the Department of Aboriginal Affairs and the Public Service Board, arranged for that Department to conduct an experiment in the setting of objectives and for the experiment to be monitored. The responsibility for the use of such managerial techniques should be with the head of the department or agency responsible, but the Public Service Board should be concerned and equipped to be in the forefront of developing knowledge and experiment in this and similar aspects of organisation, using its influence to inform and advise heads of departments, assisting them to design and conduct experiments and monitoring and making known the results.

3.3.12 The establishment of objectives in this way, not merely for the department or agency as a whole but also for its constituent working units, will make it possible for some units to express their objectives as targets in quantitative form. In those cases, resources used may be measured alongside results achieved, and the pursuit of efficiency in terms of the relationship between them will rest on a firmer foundation (see section 3.6 below). The Commission is aware of work in the United States government administration to develop such measurement as an instrument of management and of audit. It believes that the method can usefully be applied more widely in Australian government, although important parts of the administration will not lend themselves readily to its use. The areas in which it can most easily be applied will be those which carry out more repetitive processes involving large numbers of transactions. However, even among these, the simplicity of the relationship between resources used and results achieved will be

1. See Changing Organisations, Appendix 3.L.

impaired to some degree by the need to take account of subsidiary objectives.

3.3.13 The measurement of output against resources used will rarely be possible in activities which command the greatest prestige: those associated with advice to ministers. These activities are, however, supported by others more regular and repetitive: the assembly and assessment of data; the formulation of models; the preparation of projections and estimates; and similar professionally skilled processes. It is interesting to find that the number of officials directly involved with ministers in tendering advice has, over recent decades, been increasing relatively slowly while, on the other hand, the ranks of those who inform and advise the advisers, assemble and analyse the data, construct the models, and provide 'supporting services' have multiplied many times.[1] This is a field of work to which men and women of special capacity and sophisticated training are attracted in the expectation of intellectual stimulus and by the desire to influence policies. In fact, it is frequently a field of employment much marked by frustration and, as the years pass, by disillusion, bitterness and simple deterioriation. It is, therefore, a field which represents a challenge to imaginative management. The establishment of short-term objectives, timetables for their achievement and the development of task force groupings could well make a contribution to meeting this challenge. The experience of the Industries Assistance Commission has demonstrated that these techniques can usefully be applied to research work providing the basis for Commission reports to the government.

3.3.14 The Commission believes that the up-grading of the Forward Estimates is a logical and practical development of the preliminary efforts which have been made to this end in recent years. By establishing more precisely what the government wishes to achieve and in what order, the process would both provide the basis for effective planning and action, and avoid the waste involved in the unordered allocation of resources. It would constitute the necessary framework for a devolution of responsibility and for work programs at levels remote from the central focus of ministerial and departmental decision making. It would begin to provide a means for the continuous assessment of trends in manpower use and administrative costs for the conduct of specific programs and activities, without which judgment about changes in general levels of efficiency must remain largely speculation. For these reasons the Commission sees this development of Forward Estimates as the first and critical step in the achievement of greater efficiency.

3.3.15 The Commission has observed the existence of some evidence to suggest that the broad annual costs of administration in Commonwealth government (as distinct from transfer payments, capital outlays and other elements of budget expenditure) may have grown appreciably as a proportion of the national income since the early 1960s. It should be emphasised that the form and content of the available published information bearing on this matter are far from adequate or satisfactory; and it should also be appreciated that a significant rise in the proportion of government administrative costs to national income or gross domestic product would not in itself be a basis for any immediate value judgment concerning such a trend. More work has to be done within the bureaucracy to

1. This is perhaps indicated by the fact that in June 1957, 4.9 per cent of clerical administrative staff were in Class 8 and above positions. In December 1974 the proportion was 13.0 per cent. This growth has been more a feature of ACT than of branch offices. See Appendix 3.A, Paper 2, Two Services.

discern the trend in the comparative cost of its own upkeep. To take one suggestive but certainly limited pointer, the salaries and pay and other quoted 'administrative expenses' of all Commonwealth departments excluding Defence and the former Postmaster-General's Department for the year ended 30 June 1975, appear in the last Estimates of Receipts and Summary of Estimated Expenditure to amount to more than $1.5 billion (including payments made from the Budget for superannuation benefits); and this figure would represent the equivalent of about 2.7 per cent of that year's gross domestic product. On the available data, such a ratio may be approximately 70 per cent higher than the ratios of ten and fifteen years previously, after allowances are made for variations in the recorded range and content of the departmental figures over the period. A comparison of the ratio of the departments' 'salaries and pay' alone to the national wage and salaries bill would suggest a growth of about 50 per cent over the same periods. The point of referring to such imperfectly refined and necessarily inconclusive figures is not to attempt to comment on the course of administrative costs in relation to the development of government functions, but rather to indicate that there should be a responsibility for assembling and analysing fully appropriate data, and for monitoring their trends, such as does not appear now to be focussed anywhere in the administration.[1] An integrated Forward Estimates procedure would help to promote such a sense of responsibility.

3.4 THE LOCATION OF RESPONSIBILITY AND ACCOUNTABILITY

3.4.1 The annual budget processes based on the Forward Estimates should determine what is to be done and in what order. The next task will be to determine who is responsible for doing what has been decided or seeing that it is done. Attention has been drawn in the first part of this Report to the lack of clarity in contemporary practice as to where responsibility lies. The theory of the Westminster system asserts that the minister is wholly responsible for all actions in matters within his department, but in fact much responsibility lies with officials. It is important that this be acknowledged, the nature and extent of the responsibility be clarified as far as possible, and procedures established to assess performance and to provide that those responsible at all levels will be accountable for their performances. Unless this is done *no-one* can justly be regarded as responsible and *no-one* can fairly be called to account for failure or poor performance.

3.4.2 Some clarification is clearly necessary. Members of Parliament, and in their turn ministers, are selected by processes which give predominant weight to

1. The scope of the figures referred to is restricted by the exclusion of the trends of most non-departmental bodies, and by the omission from the departments' listed 'administrative expenses' of such items as rents or interest charges (actual or imputed) and depreciation. As to internal consistency over the period, it is possible to make adjustments for recorded variations in treatment as to the inclusion or exclusion of some statutory bodies and the territories in the departmental aggregates, but not possible to allow quantitatively for any transfers of functions and activities as between departments as a group and extra-departmental bodies; in cases of the latter type, changes in the recorded departmental costs may not reflect changes for the administration as a whole. The indication from the series of figures that the growth of departmental salaries as a proportion to the nation's wages and salaries bill has not been as fast as the growth of more broadly defined running expenses to gross domestic product is consonant with the fact that the proportion of GDP represented by wages and salaries has risen over this period.

qualities and considerations which have little relevance to their capacity to manage a large and complex organisation. This is not to belittle politicians or ministers. Their essential functions are different.

3.4.3 The fundamental task is to integrate the authority which comes from popular election with that which derives from professional knowledge and experience, while upholding the principle of ultimate political control. If the two sources of authority are to be so integrated, the roles of minister and official must be seen as complementary. Given this, the managerial responsibilities of departmental officials can be readily recognised if not precisely defined. Final authority must be in political hands, but without making management ineffective. This will be fully achieved only if officials accept an obligation towards the spirit as well as the letter of government objectives. Their acceptance of that obligation cannot be ensured either by legislation or convention. We can only note, as we have done in paragraph 3.2.9 above, that such acceptance is more likely if officials have participated effectively in the process of converting the generalities of the political program into a blue-print for action. For this reason, amongst others, we suggest to governments that they associate senior officials constructively with the work of ministerial committees in the development of such a blue-print (see paragraph 3.3.7 above and Chapter 11.2).

3.4.4 Because ministers are frequently less skilled in administration than heads of departments and often lack comparable expertise even in the policy aspects of their portfolios, they are sometimes content to allow their departmental heads to dominate both administrative and policy processes. This tends to make the political authority less effective. The processes to be described in section 3.6 are designed to assist the minister to hold his departmental head effectively accountable even in matters of which his own experience is limited.

3.4.5 There are two possible approaches to the problem of reconciling effective management with ultimate political control. The first has been adopted for certain statutory bodies which are required to conduct their affairs subject to any direction issued by the minister or, in some instances, by the Governor-General-in-Council. This requirement gives the minister or Cabinet the potential authority at any time to assert political control. As noted in our consultant's report on statutory bodies[1], some ministers have used their reserve power to intervene in matters of detail or in ways which impair the effectiveness of management. This approach, even if not so misused, provides no significant stimulus to better managerial performance. Nor does it clarify the manager's responsibility in a way which helps make him accountable for its exercise.

3.4.6 The second approach, which comes closer to practice in the private sector, is to acknowledge the managerial responsibility of officials, but also to prescribe the means by which their performance will be assessed and reported upon in ways which will influence ministerial judgment about their professional standing and future. At present no such assessment occurs at departmental head levels, and the assessment processes at lower levels do not relate in any direct way to the conduct of programs as they might be judged by ministers. The Commission believes that it is desirable and practicable to establish a regular practice of assessing departmental performance by means which provide ministers and Cabinet with

1. Dr R. L. Wettenhall, Statutory Authorities, October 1975. See Appendix 1.K.

the basis on which to form their own judgment. The task of assessment will, as we have noted, be more difficult and complex than in most private enterprises: the simple profit test is lacking and most tasks are complicated by subsidiary and usually competing objectives. Nevertheless, the Commission remains satisfied, after examining the efficiency studies recently arranged by the Public Service Board, that worthwhile assessments can be made. Furthermore, it is convinced that at present there is inadequate external stimulus to improved performance, and that any reasonably based assessment, honestly performed, is likely to prove valuable.

R3 3.4.7 The Commission proposes therefore that:

(a) the departmental head should be regarded as responsible for the efficiency of his department's performance in giving effect to ministerial and Cabinet decisions;[1]

(b) the relationship between departments and co-ordinating authorities should be changed so that the departmental head's responsibility is clear and capable of being made effective;

(c) departmental efficiency should be regularly assessed by means which would bring before ministers, Cabinet and Parliament the content of the assessment and the data on which it is based.

3.4.8 If departmental heads are to be accountable to ministers and Cabinet for the efficiency with which they manage their departments, changes will be required in their relationship with the major co-ordinating authorities—particularly Treasury and the Public Service Board. The Commission heard in evidence strongly-worded criticisms of the effect which controls exercised by the Treasury and the Public Service Board have in limiting departments' initiative and their capacity to give effect to government policies. Similar but less forceful criticisms were directed at controls which require departments to accept services from centralised agencies when they judged it more convenient and more economical to deal directly with other suppliers.[2] It was argued that, apart from obscuring lines of responsibility and inhibiting the entrepreneurial capacity of departmental heads, the exercise of these co-ordinating powers has tended to discourage experiment and innovation.

3.4.9 These criticisms were not endorsed by all departmental heads. Some indicated that it was usually possible to convince the co-ordinating authorities with well prepared material, but even they claimed that generally the response of such authorities involved wasteful delays.

3.4.10 The Commission notes that in recent years the Public Service Board has increasingly delegated decisions in establishment and personnel matters to departmental and agency heads. The adoption of 'bulk establishment' approvals by the Board illustrates this trend.[3] Similarly, the recent joint review of the Audit Act and related matters by officers of Treasury and the Auditor-General's Office recommends significant increases in the delegation of authority to the departments concerned.[4] The Commission welcomes this trend. Indeed, it believes that, given a clear statement of the principles to be followed, departmental officers are as competent as those of the controlling authorities to

1. See also Chapter 4.2, Ministerial Responsibility, and 4.5, Heads of Departments.
2. See Chapter 4.3.17–24.
3. See Manpower Planning, Appendix 1.D.
4. See further Appendix 4.F.

apply them. A reduction in the number of persons required to be involved in any decision, consistent with it being made responsibly and sensibly, will clearly contribute to economy and efficiency. [1] Additional persons should be involved only when a significant improvement in performance is likely to follow. The Commission suggests, therefore, that a conscious effort should be made by co-ordinating authorities to extend the practice of delegation more widely and more deeply. This would place responsibility more firmly with the department, consistently with the principles of accountable management. The means by which and the limits within which this transfer of authority can be achieved are reviewed in more detail in Chapter 11, Co-ordination and Control.

3.5 PARTICIPATION AND IDENTIFICATION

3.5.1 Generally in this chapter we are concerned to comment on the ways in which the prerequisites of efficiency can be provided by clarity of purpose, improved organisational methods and progressive observation and analysis of performance. It must not be forgotten, however, that the administration is composed of men and women, and that, however clearly directed, well organised or effectively monitored its performance may be, its quality will be dependent on the zeal and energy which they devote to its tasks and on the degree to which they draw on their personal resources of knowledge and ingenuity. To some extent the outcome will reflect the wisdom of the personnel practices followed and the skill with which the men and women concerned are organised and deployed. But it will also reflect emotional considerations—particularly the degree to which the men and women engaged identify themselves with the successful performance of their tasks.

3.5.2 Evidence is available to show the considerable benefits to efficiency which can be derived from more effective involvement of staff. The Commission has been interested in recent studies of the importance of this potential, of which the work of Professor Harvy Leibenstein, summarised in his article 'Allocative Efficiency is X-Efficiency', can be regarded as illustrative [2] Leibenstein provides instances of efficiency improvements flowing from a number of International Labour Organisation productivity missions. He emphasises that cost-reducing methods which derive their effectiveness from greater involvement of staff in their work and a more enthusiastic approach to it rarely require additional capital costs but derive from the application of commonsense to the work environment as it is seen by those engaged in it.

3.5.3 It is difficult, if not impossible, to prescribe in general terms the means of securing such staff involvement. It is a by-product of a human relationship between the manager and his team which reflects both a common acceptance of the relevance and value of the work being done and a mutual recognition of their

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1. See Access Report, Appendix 2.C.

2. '... Knowledge may not be used to capacity just as capital or labor may be underutilised. More important, a good deal of our knowledge is vague. A man may have nothing more than a sense of its existence, and yet this may be the critical element. Given a sufficient inducement, he can then search out its nature in detail and get it to a stage where he can use it. People normally operate within the bounds of a great deal of intellectual slack. Unlike underutilised capital this is an element that is very difficult to observe. As a result, occasions of genuine additions to knowledge become rather difficult to distinguish from those circumstances in which no new knowledge has been added, but in which existing knowledge is being used to greater capacity.' American Economic Review, May 1966, p. 405.

respective interdependence. The difficulty of prescribing the means *a priori* does not reduce the importance of staff involvement.[1]

3.6 EFFICIENCY AUDITS

3.6.1 If, as the Commission proposes, departmental managers are to be given a clearer responsibility for their managerial functions and greater freedom and discretion to perform them, it will be the more important that the quality of their
R4 performance should be subject to critical review. The Commission proposes, therefore, that there should be a regular program of efficiency audits in which departmental performance will be assessed. These assessments should be so designed that they would bring before ministers, Cabinet and Parliament both the assessment itself and the data on which it is based. Such a presentation would, at least to some extent, make the assessment open to public examination and comment. It would also clearly establish the primacy of political responsibility for administrative efficiency, including not merely that of the minister and Cabinet but also that of Parliament, which many observers consider has in recent decades been significantly eroded.

3.6.2 The first stage of an assessment system should be within the department or
R5 agency itself. The Commission proposes, therefore, that the head of the department or agency should be required to prepare annually, by a fixed date, a report on lines prescribed by an appropriate authority (see paragraph 3.6.16 ff) which reviews the department's use of financial and manpower resources and outlines measures taken to improve it.[2]

3.6.3 The internal report would be submitted to the minister and also to the authority nominated to audit departmental and agency efficiency generally. That authority would have power to prescribe uniform practices and statistical bases for departmental and agency reports, to examine and conduct such checks of the performance reviewed in them as it considered necessary, and to prepare assessments on a selective basis which could, with the departmental and agency reports, be submitted to Cabinet and to Parliament.

3.6.4 The Commission has examined several possibilities in the choice of an agency to be primarily responsible for these assessments. It has noted that section 17 of the Public Service Act empowers the Public Service Board to conduct periodical examinations of departments and that the provisions of the Audit Act and the related regulations and guidelines give the Treasury significant power and responsibility to ensure financial prudence and that 'value for money' is obtained in departmental expenditure. It has read with interest the proposal of a member of its Task Force on Efficiency, Professor Caiden, that a new agency (the Office of Policy Analysis and Administrative Management, or OPAAM) be organised to perform such external assessments as well as a variety of other functions designed to stimulate greater efficiency in the bureaucracy generally. It has also considered the wide conception of the audit function as performed by the United States General Accounting Office.[3]

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1. See also Appendix 3.L, Changing Organisations.
2. See Chapter 4.3.25–7 and 11.4.7.
3. Dr Caiden's proposals have been published in the working paper *Towards a more Efficient Government Administration*, September 1975, for the Commission's Efficiency Task Force. See Appendix 1.F. References to the U.S. General Accounting Office also appear in Appendix 4.F.

3.6.5 There is a strong temptation when a new function is perceived, or when it is realised that an old function is not being adequately performed, to conceive a new institution to perform it. While such an institution exists only in the mind of its creator, it will suffer from none of the frailties which beset its predecessors. However, when it has been brought to birth, staffed with men and women (probably drawn from existing institutions) and finds its place in the bureaucratic market place, it may perform no better than the old ones. Consequently as a general rule, the Commission sees little merit in the creation of new agencies when institutions already exist to perform the same or closely related functions.

3.6.6 The Commission has, therefore, preferred to look to modifications and developments of existing institutions within the machinery of government as a means of achieving changes it considers desirable, unless there is good reason to believe them incapable of such modifications or unless they are already too large.

3.6.7 The Public Service Board has shown great reluctance to assess the performance of departments and agencies. Indeed, for some years, no section 17 examinations were made and, now that they have been resumed they are seen as exercises in assisting and improving management rather than in auditing or assessing performance. They are carried out by a team headed by an external consultant and including a senior officer from the department or agency concerned. The form of the Board's participation emphasises its role of servicing the team, although there is no reason to doubt its real contribution to the study itself. Furthermore, the report of the team is treated as strictly confidential to the department concerned and great care is exercised to preserve this confidentiality. It was only with much reluctance that the Board gave the Commission access to its reports, enabling it to study the scope and methods of the inquiries. That scope was found to be extremely narrow.

3.6.8 The reviews are predominantly concerned with rearrangements of management structures and modifications of the procedures and practices within them. They are only marginally concerned with the basic systems and procedures governing the establishment of those structures or the recruitment to and advancement of people within them. No major aspect of the Treasury's or, particularly, the Public Service Board's role appears to have been followed through in any of the reviews. Nor do they comment, even on a strictly confidential basis, on the work of senior officers with major managerial functions, or encompass the efficient administration of programs as opposed to that of selected administrative units. Since the Commission believes that it is primarily in better organisation that the economies leading to greater efficiency will be found, the narrowness of the studies is disappointing.

3.6.9 These characteristics of the present reviews are understandable and defensible when they are seen predominantly as educational exercises, but they emphasise the continued lack of a system of review which can make management genuinely accountable. The Commission understands and sympathises with the Board's reluctance to undertake such an 'audit' style review. The Board sees itself as a primary source of expertise and guidance for departments and agencies in organisation and personnel practice, and believes that its capacity to stimulate and assist departments to achieve greater efficiency depends upon the maintenance of harmonious working relations between the Board and departments. Harmony would be difficult to maintain if the Board were responsible for

reports embodying serious criticism of departmental performance—particularly if these reports were to reach a wider audience.

3.6.10 Furthermore, it is evident that the Board cannot be wholly objective in its approach to section 17 studies. Much of what is done in departments is the result of the Board's own advice and, in important matters affecting establishments, organisational structures, recruitment, appointments, training, promotions, transfers, pay, conditions of service and the like, the Board still has the final authority to make decisions. The Board, in conducting such an audit, would to some extent be judging its own work. Apart from the influence which awareness of this conflict of interest may have on the reports themselves, it could have deleterious effects on the attitude of the Board to innovation.

3.6.11 It is important that the Board, as the primary source of advice on organisation and personnel practice, should be in constant touch with new developments, and that it should be active in experiment and encouraging to departmental heads seeking to improve their practice. Responsibility for conducting the section 17 studies, however, is likely to promote a 'play safe' approach to innovation proposed or contemplated and to put a premium upon reliance on established practice. For these reasons, while the Commission believes that the Board should continue to arrange joint reviews of particular phases of departmental activity with the departments concerned, these should be clearly differentiated from efficiency audits of the kind contemplated by the Commission and dealt with in more detail in Chapter 11.4.

3.6.12 The Commission notes also that the present section 17 reviews do not, except incidentally, concern themselves with financial management—with the effectiveness of arrangements to ensure that value for money is obtained and that the procedures required by the Audit Act, Treasury regulations and instructions and departmental practice based on them are relevant and appropriate to the precise transactions which confront the department in all its locations. It seems reasonable to conclude that the benefits which departments derive from their joint studies with the Board in personnel and organisational matters (in their widest sense) would flow similarly from joint studies conducted in association with Treasury. They might also serve to bring Treasury officers into more direct contact with the problems departments and their clients encounter.

3.6.13 The Commission is aware that a review of the Audit Act and related provisions for financial control is in process, and considers the changes suggested in the draft interim report to be valuable but insufficient. It has been suggested to the Commission that, especially in smaller and isolated communities, but also in the large branch and even central offices, waste and delays result from the mechanical application of rules and procedures inappropriate to the surrounding circumstances.[1] The Commission believes that, consistent with accountable management, it should be possible to involve departments themselves more deeply in decisions about rules and procedures which are best applied in individual circumstances.

3.6.14 Above all, the Commission believes that more than working to rule is involved in obtaining value for money. The design of the relevant program, the means adopted for its administration, the pattern of organisation chosen and

1. See Access Report, Appendix 2.C.

relationships established with other agencies of the federal and other governments and with voluntary organisations may all have a critical bearing on the cost of achieving the purposes of the program. These matters are primarily the responsibility of particular departments or agencies, and Treasury is not involved in systematic studies of their outcome or of the changing costs of achieving it.

3.6.15 In all of these respects the Commission believes that there is room for joint studies of financial administration by Treasury and the departments concerned. Such studies, however, would again not eliminate the need for *ex post* audit type examinations conducted by a wholly independent authority. These audits, like those proposed above in respect of organisational and manpower efficiency, should be based upon assessments carried out within the responsible department or agency itself. Each program for which a department or agency is responsible should be reviewed in turn and the results also incorporated in the report referred to above in paragraph 3.6.2. As far as possible, the reviews should be based on uniform factual and statistical information in prescribed form, so as to promote the use of objective and measurable criteria and avoid reports becoming propagandist. R6

3.6.16 An authority independent of departments and of Treasury and the Public Service Board will be needed to prescribe from time to time the bases of these reviews insofar as they are needed for the work of that authority; to seek to establish standards of performance where these are measurable; to make comparisons; and generally to judge and report upon performance.

3.6.17 The Commission judges that it would be most appropriate for the role of the Auditor-General to be extended to comprehend this function. In so far as it is a review of performance after the event, it is similar in principle to the audit functions he now performs, and information at present examined by his staff in the course of performing them would be relevant. The Auditor-General has, too, a traditional independence and a link with the legislative and historical authority of Parliament that is essential to one whose task is to assess the performance of the executive arm of government. A more detailed account of the role we envisage for the Auditor-General can be found in Chapter 11.4. R7

3.6.18 It should be noted that we do not include in this, the task of reviewing program effectiveness. The Commission considers that it is possible for the Auditor-General to examine efficiency in organisational matters as well as in financial management ('value for money') without being called upon to pass judgment upon the programs themselves. This would require essentially political judgment in which, in the Commission's view, the Auditor-General should not be involved. At the same time, much of the material on which his efficiency reviews would be based would be relevant to a consideration of program effectiveness.

3.6.19 The Commission considers that progressive review of the effectiveness of continuing programs should be undertaken and linked with the development of the government's own new programs and priorities. It sees the analytical work associated with the assessment of such continuing programs as being most appropriately arranged from within the Department of the Prime Minister and Cabinet, where it could form part of the background to new policy formation. There should however be close consultation by that department with the staff of the Auditor-General about information derived from the relevant efficiency audits. This matter is discussed further in Chapter 11.4–5.

3.6.20 The Commission considers that Parliament should have a significant role as guardian of the administrative and executive efficiency of government. It contemplates, therefore, that a report by the Auditor-General on the outcome of his audits of efficiency should be presented to Parliament and examined by a special committee specially designed for this purpose. This committee should be assisted by the Auditor-General and his staff. To strengthen the role of Parliament
R8 in this matter the Commission *suggests* for the consideration of Parliament:

(a) that the role of the Auditor-General as an officer of Parliament should be clarified and strengthened;

(b) that there should be a parliamentary committee on administrative efficiency (it is not for us to determine whether this function should be added to that of the Public Accounts Committee, or another existing committee, or whether a new and separate committee should be established for this purpose);

(c) that the parliamentary committee on administrative efficiency should have the same powers to call witnesses as does the Public Accounts Committee.

These suggestions are elaborated in Chapter 5.1 and in Chapter 11.4.

3.6.21 *Linking performance and rewards:* Selection for promotion—the primary source of reward and recognition (see Chapter 8.4)—involves the assessment of performance at all but the highest levels in the administration. At the top, where we propose that major responsibility and accountability should be concentrated, there is no such link. At this level, scope for promotion practically does not exist, except into one of the few departments which command a higher differential level of permanent head salaries. Standing with ministers and professional reputation can of course be affected by performance, and these are without doubt powerful motivating forces for senior officials. It seems to the Commission however that its proposals for accountable management call for more formal recognition of quality in the discharge of duties. There are two means by which this could be achieved. The first is in the periodical movement of departmental heads contemplated in Chapter 4.5. The second is by salary differentials.

3.6.22 There is no doubt that certain departments command more prestige than others, although it is interesting to observe changes over time in the order of that prestige. Within the Service, note would be taken of the direction of change in position reshuffles. This linking of prestige with performance could be strengthened by salary change. With an eye on the practice in private industry, the Commission has given thought to the advantages of having several levels of salary for heads of departments. In private industry, the setting of rates for top executives is one of the most sensitive issues, the rates being fixed by directors, more on their assessment of the person than the position, and with a high degree of flexibility.

3.6.23 While from the point of view of providing incentive for excellence there is much to be said for such an approach, there are very real difficulties in applying it within the Service. By an analogy, it would mean that the Cabinet would from time to time fix a differential loading for heads of departments on the basis of its evaluation of the work of the persons concerned. For Cabinet to fix the salaries of departmental heads on a personal basis would be an invidious task and one which

many would regard as inappropriate. It would be argued that their decisions would be seen as arbitrary and unjust and therefore adversely affect performance and relationships between ministers and departmental heads and between departmental heads themselves. To impose it on the Remuneration Tribunal would not serve the purpose intended since they clearly must base their judgment on objective criteria relating to the job itself, rather than to the way in which it has been performed. Yet, relating pay solely to factors such as relative size, complexity and other features of departments may reduce incentive for movement to the smaller departments which may nevertheless be deserving of more talent at the top, and precludes recognition of exceptionally good or bad performance. While the Commission believes that there is merit in having several salary levels for departmental heads and greater flexibility in their determination, we believe that before action is taken, the issues arising from such an approach require closer study as our proposals for greater accountability and mobility come into operation. R9

3.7 SOURCES OF KNOWLEDGE, STIMULUS AND INNOVATION

3.7.1 The shift of some decision-making authority to the departmental head and away from Treasury and the Public Service Board represents, at least in part, a transfer of power from specialists in financial control and organisation of personnel to a more generalist manager. While the Commission believes this is necessary to clarify lines of responsibility and accountability, it will remain important that the knowledge and skills of specialists should be effectively drawn upon. The Commission envisages that Treasury and the Public Service Board should continue to provide them.

3.7.2 Thus Treasury, within the framework of a revised Audit Act and Treasury Regulations, would delegate authority for financial control to departments, assisting them in their preparation of detailed procedures which would comply with the broad legal framework. Treasury should stand ready, on a consultancy basis, to advise on ways of dealing with the particular problems each department is likely to encounter. Treasury would be responsible for maintaining contact with academic institutions and professional associations, and with developing practice in the private sector, so that it was in a position to stimulate departments to adopt innovative techniques. Thus, general rules and other sources of guidance would be subject to continuous review, reflecting particularly the experience gained in the joint reviews of financial management, as described in paragraph 3.6.15 above. A Treasury section with such functions would, we believe, develop and promote in others a more positive and creative approach to financial management. To ensure that the benefits of experience within it are shared with functional departments, the Commission contemplates that movement of staff between Treasury, such departments and the Auditor-General's staff will be more frequent and be consciously planned.[1] R10

3.7.3 Similarly, the Commission sees the Public Service Board as a source of

1. A consultant to the Commission, Professor James Cutt, has reported that some ordinary administering departments have been ahead of Treasury in the development of analytical techniques for forward estimating, and that there has been a general lack of central co-ordination and directed interflow of the results of departmental experiences. (See Appendix 1.C.) If Treasury ceased to exercise as much detailed control over items of departmental expenditure, it might well be able to develop its role in promoting these techniques.

expertise in organisation, personnel management and related matters within the functions of the Board. It envisages that departments or agencies newly established or given additional functions calling for the establishment of new administrative units would normally seek advice from the Board, and that the new departments or units would be planned with their professional advice. To this end the Board should be prepared and able to second officers from its own staff and that of other departments temporarily for sufficient time to help undertake such developments. The Board, like the Treasury section described above, would also act as a channel through which contemporary ideas in organisation and personnel management would be fed into the bureaucracy, drawing upon academic, professional and non-government thinking and
R11 experience. We *recommend* that the Board should, in collaboration with interested departments, arrange and conduct experiments in organisation and personnel practice, monitor their progress and ensure that their results were drawn to the attention of departments and agencies to whose work they were relevant. This new role for Treasury and the Board is discussed further in Chapter 11.3 and 11.6 respectively.

3.7.4 The Commission sees mobility of staff between the Public Service Board, functional departments and the Auditor-General as contributing to higher levels of performance in organisational and personnel matters.[1] The Commission is particularly concerned at the loss of efficiency which comes from the frustration and disillusion of disappointed staff, and believes that this loss is significant. It believes, therefore, that the Board should be encouraged to develop more actively its counselling and placement role. We envisage that officers who feel that their current work is unsatisfactory, that they have run against an insuperable barrier to promotion, or that for personal reasons relationships with their superiors are damaging to their effectiveness, could seek assistance to move to other posts—including to work outside the Service (see Chapter 6.3.29). Similarly, departmental heads who may feel that individual members of their staffs are unsuited to the work in which they are engaged, or are in need of early retirement or simply are likely to do better elsewhere, might seek the assistance of this unit of the Board. The need for such aid to career development has been intensified by the organisational instability that has marked the changes of government in recent years. The possibilities of effective action in this placement function would, of course, be increased to the extent that employees of government covered by superannuation rights could resort to provisions to ensure adequate pension or superannuation benefits upon retirement before the minimum retirement age of 60 years. The Commission is aware of the attention currently being given to voluntary early retirement (at age 55) in association with the revision of the superannuation scheme. While this would be a move in the right direction, it does not appear to go far enough. The economy involved in the government's failure to grant this 'portability' of pensions is, in the Commission's view, grossly short-sighted and results not merely in serious loss of efficiency but also in waste of personal capacity and damage to the general morale of government employees. This matter is dealt with more fully in Chapter 8 of this Report.

3.8 INFORMATION FOR ACCOUNTABLE MANAGEMENT

3.8.1 While the Commission strongly endorses greater devolution and

1. See Chapter 11.6 and Appendix 3.F, Mobility.

delegation of authority to make decisions, it is conscious that such delegation, if unaccompanied by clear policy directions, necessary knowledge at the local level and adequate means of providing management information flowing both downward and upward, could produce unworkable situations. In particular, our recommendations on accountable management cannot be fully and successfully put into effect unless they are coupled with action to ensure adequate flows of information which not only meet departmental needs but also the needs of control agencies such as the Treasury, the Public Service Board and the Auditor-General, and, of course, the government and Parliament. R12

3.8.2 The Commission sees the essential control of the allocation of resources being based primarily upon the formulation and approval of the forward estimates (see section 3.3 above). Those estimates will provide a basis for action at various levels within departments and agencies. The development of appropriate guidelines in financial and personnel matters, and the precise formulation at the centre of principles on which day-to-day decisions are to be based, will allow effective action at lower and geographically distant points of decision. For this to be practicable, those exercising delegated authority must have ready access to the content of the guidelines and statements of principle. They must also be able to seek prompt clarification and guidance in matters of difficulty. There must therefore be an effective downward flow of information upon which delegated decisions can be made.

3.8.3 Similarly, if the principles of accountable management are to apply at these levels of delegated decision making, there will need to be an upward flow of information necessary to the monitoring of performance, to the progressive modification of the principles and guidelines on which it has been based, and indeed to the review of the programs and policies being administered.

3.8.4 Information in a variety of forms can now be moved rapidly from point to point and so make it less necessary for people to move. Such information can also be stored in an orderly way electronically or in miniaturised form so that rapid, selective and remote retrieval becomes practicable.

3.8.5 The possibilities of selective and remote retrieval appear particularly important. The storage and presentation of information in printed or written form tends to flood officials with paper, requires them to absorb large quantities of data, at least sufficiently to be aware of its existence and its actual or potential relevance to their work, and to recall it to mind at the appropriate time. There is no doubt that efficiency could be greatly increased if the demands of this 'paper war' could be reduced and information presented at a time, and in a form, relevant and appropriate to the precise needs of decision makers.

3.8.6 In the Report of the Commission's Task Force on a Regional Basis for Administration, reference is made to a preliminary analysis of the feasibility of developing an electronic information system designed to support delegated decision making and, at the same time, to provide necessary data for central supervision and management. The Commission *recommends* that such a system be designed and set up on an experimental basis for a selected region or regions so that, to the greatest extent possible, its facilities are available to all departments and agencies represented in the region and to their respective head or State R13

offices.[1] The experiment should be monitored to judge its effect not only on manpower requirements but also on the effectiveness of delegated decision making and on the involvement and morale of staff.

3.8.7 Systems of electronic information storage designed to facilitate access from departmental outposts and to provide the basis for delegated responsibility for decision could also feed the data on which planned innovation could be based into agencies such as the Public Service Board and the Treasury, as sources of stimulus and development. The consultancy services which we contemplate these agencies providing to departmental managers should have access not merely to this data but to the results of research in the behavioural sciences based upon it.

3.8.8 It is not within the capacity of the Commission to judge whether these potentialities can in fact be realised. We are satisfied, however, that further study and, in particular, professionally designed experiment is warranted.[2]

3.8.9 We have been struck by deficiencies in available information about many aspects of service personnel management. No detailed data on turnover or staff wastage rates or on comparative staff use in departments and statutory authorities was available to the Commission. We have referred to the need for the costing of staffing and general administration of various programs (see paragraph 3.3.15). Insufficient data is available about staff attitudes. The analysis and surveys conducted by the Commission provide a beginning. We consider that there is room also for improvement in the recording and collation of information of this kind arising from joint studies conducted by individual departments, the Public Service Board or Treasury, particularly if it is to be used in the assessment of performance of individual members of staff.

3.8.10 The Commission believes that there is much to gain and little to lose by allowing unions and staff associations to share much of this information. The solution of problems of low morale, high turnover and poor productivity are not solely a responsibility of management. A union movement concerned for the all-round well-being of its membership will need to take an informed and responsible interest in such matters. Adequate information could promote such an interest.

3.9 SUMMARY

3.9.1 The achievement of efficient use of resources in government is at present handicapped by:

(a) the lack of adequate and clear ministerial direction about the government's objectives and the priority to be attached to them;

(b) a lack of clarity in the division of responsibility between ministers and officials;

(c) a failure to identify clearly the responsibilities of departments and agencies and their constituent units and to provide means for holding them accountable for these responsibilities;

(d) a failure to assess the adequacy with which these responsibilities are performed;

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1. This proposal could be linked with our recommendations in Chapter 7.3.8–11 for a Commonwealth Government Representative.
2. See Public Sector Management and Related Information Requirements, Appendix 1.E.

(e) a failure to relate performance of departmental heads adequately to future status and rewards.

3.9.2 The Commission believes that efficiency will be increased if:

1. a Forward Estimates budgeting process is established within which ministers and their departments will negotiate for the financial and manpower resources they wish to use over the Forward Estimates period; and if these Estimates when approved by Cabinet are accepted as a basis for planning by ministers and their departments;
2. departmental heads are and are seen to be responsible for management of government programs within limits set by Cabinet and ministerial direction including decisions involved in the Forward Estimates and are given by delegation from the Public Service Board, Treasury and other co-ordinating agencies adequate authority for this purpose;
3. Treasury, the Public Service Board and other co-ordinating agencies organise to provide guidance and expertise on financial, organisational and personnel management practice and act as a source of stimulus and innovation rather than primarily as instruments of control;
4. action is taken to ensure that departmental decision makers at all levels have access to the information upon which their decisions should properly be based;
5. (a) regular audits of efficiency in terms of financial, organisational and personnel management are carried out by
   (i) departments themselves,
   (ii) the Auditor-General;
   (b) these audits form the basis of action to improve efficiency by heads of departments, ministers and Cabinet;
   (c) the content of audits of efficiency both those conducted within the department and by the Auditor-General are taken into account by
   (i) those making selections for promotion,
   (ii) Cabinet, when determining salaries and placement of departmental heads;
   (d) the Auditor-General's report on his efficiency audits are presented to a parliamentary committee on administrative efficiency.

Chapter 4 Ministers and the Administration

4.1 THE COLLECTIVE PROBLEM

4.1.1 Ministers as a group have a twofold strength in our system of government. They are the most influential moulders of the policy of the legislature as well as having powers of direction over the executive arm. In the Parliament, their strength begins with the fact that ministers are leading figures in the governing party or parties; but their collective hold on the executive machinery also provides them with unmatched initiatives and resources for proposing and preparing legislation, while the tradition of the Cabinet's solidarity in taking its majority decisions on policy into party discussions, combined with the other convention of party unity in parliamentary voting, gives the ministry a double leverage for exerting influence on legislative policy. Though this dominant position is certainly not absolute, especially in a bicameral system, there may be insufficient recognition that the Constitution, in making the executive responsible to Parliament by requiring a minister to be drawn from one or other of the two Houses, was helping to promote reciprocal conditions which would give the executive great strength in the legislature. This finds physical expression in the location of most ministers' working activity: while their offices comprise a substantial part of the available accommodation in Parliament House, it is comparatively rare for a minister to occupy rooms in his department. The Parliament itself offers no distinctive office of an opinion-leading kind in government (that is, apart from the Leader of the Opposition) to compare in status with that of ministers. The positions of President and Speaker in the respective Houses are not of this kind but rather quasi-judicial and administrative, while the designated Leader of each House, who arranges the order of its business, has invariably been a minister. By reverse token, an occasional former practice of including in the Cabinet members of Parliament who did not hold executive office, as 'honorary ministers' or ministers without portfolio, has never been very significant.

4.1.2 While the collective power of ministers is much more far-reaching than the sum of their departmental responsibilities, the administrative machinery supporting them is not designed correspondingly to promote collective knowledge and consciousness among them but for the most part is naturally engaged in developing distinctive approaches bearing on items of policy. This is the more deserving of recognition as the increasing range and complexity of government affairs and the expansion in numbers of the ministry are reducing the opportunities for intimate and fairly comprehensive contacts between ministers which may have been available in the first few decades of Federation. The somewhat fortuitous circumstances which assign a minister to a particular portfolio, the resources and interests of his department and the character of its

senior officers naturally influence his attitudes and occupy most of his attention. Regular thinking in aggregate terms is the specialised function of a few, notably the Prime Minister and the Treasurer; and the tendency to divert most ministers' attention from their collective role is given an air of normality when much of the body of analysed information acquired in the Treasury is treated as though it were the preserve of that department rather than a basic, necessary property of the ministry as a whole.

4.1.3 Since departments are the most significant source of advice on the formulation of government policy and legislation, it is necessary to consider not only the details but also the overall implications of this aspect of their functions. Unlike ministers, the permanent heads of the various departments do not have political or other continuous cause to think collectively or to act in close concert. Differences between departments in the scope of their functions and relative power tend rather to promote a sense of competition among some of them, so that it may require a degree of conscious effort on the part of a minister to maintain an appropriate detachment from the consequences of departmental rivalries. The reality and force of any pressures which strain the cohesion of the ministry have to be acknowledged as a preliminary to considering how the machinery may be adapted to cope with the realities. The difficulty of finding neat and final answers is not a reason for neglecting the issue. The Commission's examination of the problem has pointed to one broad conclusion: that a proper solution lies in the direction of strengthening the content and the dissemination process of a common pool of background material for the whole ministry, rather than in attempts to set up a multiplicity of general intelligence units for each minister.

4.1.4 As an illustration of the positive aspect of this proposition, the Commission's inquiries into some apparently separate issues in administration and policy formulation have tended to yield one converging result, as at least a partial answer to each, in that they point to a need for a purposefully developed system of forward budget estimates. This would require the regular attention of all ministers and particular study by groups of them to produce collective decisions. The exact details of an appropriate administrative machinery to underpin such an operation would be a subject for evolving review; but just as the essence of the operation is its collective, aggregating character, so must it engage administrative and advisory resources already available to ministers involved in co-ordination and, especially, the resources of the central agencies. Without contributions from the existing machinery, the operation would be abortive; with them, the necessary supplements would be marginal and gradual.

4.1.5 The negative aspect of our broad proposition emerges when consideration is given to a question which has been brought to the Commission, concerning the extent to which a minister should develop the use of his department to assist him generally in his membership of the Cabinet and of Cabinet committees. While we recognise the need of ministers to look for briefing on many matters, we set ourselves firmly against any arrangements which would lead to substantial additions to the staff of departments simply to provide each minister with information and comments on proposals submitted by his colleagues, where these are not of direct relevance to the work of his own department. That is wasteful of resources and leads to a build-up in departmental capacity that may well not be needed by the next minister. Particularly when there are as many departments as exist in the federal sphere, it would be nonsense to allow every department to

develop staff to second-guess the proposals of other departments. Apart from the waste involved, Cabinet business would become extremely difficult to transact. It is doubtful whether many ministers would initially want to have this service, but once built into some departmental structures it would tend to spread and perpetuate itself regardless of need. Nor would such a development help to encourage a freer pooling of background information and ideas in advance of Cabinet consideration, by the central agencies or by departments initiating policy proposals. It could rather have the effect of strengthening narrowly possessive attitudes on all sides.

4.1.6 Since ministers are collectively responsible for all Cabinet decisions, it would be foolish not to endorse the use of whatever resources their departments can provide in the interests of reaching a better collective decision. It has also been suggested that members of ministerial offices might be used to assist ministers in this area. In our view, some flexibility needs to be built into the system at each of these points, but not over much. On the one hand, ministerial staffs cannot without waste and duplication be built into mini-departments. On the other hand, it would certainly not be acceptable if a greater flexibility for departments in using resources within the constraints of forward budgeting were taken as giving any countenance to a multiplication of general advisory units for use partly in stale-mating one another. It is also apparent that the scope for developing a full-time research and advisory body to serve the ministry as a whole must be subject to limitations in its practicable size, range of expertise and tendency to duplicate work in the departments.[1] It may be found that a small unit of this kind attached to the Cabinet secretariat could have some catalytic value. Fundamentally, however, the most significant advance that the ministry could make in the effective exercise of its strong powers as a group would be to open up for itself resources existing in the administration and to promote more use of these in a collective sense. This will not be done on the initiative of departments. It would require the active leadership of ministers. Each minister has a continuous teaching function to perform in his department, pointing out where and how his government needs to be served as a collective entity. A commitment to a regular system of complementary inter-ministerial and inter-departmental processes of examination, such as the Commission proposes in Chapter 11.2 of its Report to implement a program of forward budgeting, would be a significant first step in that direction. At the staffing level, the adoption of a system of rotation of personnel, particularly managerial officers, such as we propose in Chapter 11.6, would effectively reinforce the sense of a collective entity.

4.2 MINISTERIAL RESPONSIBILITY

4.2.1 It is through ministers that the whole of the administration—departments, statutory bodies and agencies of one kind and another—is responsible to the Parliament and thus, ultimately, to the people. Ministerial responsibility to the Parliament is a matter of constitutional convention rather than law. It is not tied to any authoritative text, or amenable to judicial interpretation or resolution. Because of its conventional character, the principles and values on which it rests may undergo change, and their very status as conventions be placed in doubt. In recent times the vitality of some of the

1. Professor Colin A. Hughes refers to this possibility in his paper for the Commission, Ministers and Departments. See Appendix 1.H.

traditional conceptions of ministerial responsibility has been called into question, and there is little evidence that a minister's responsibility is now seen as requiring him to bear the blame for all the faults and shortcomings of his public service subordinates, regardless of his own involvement, or to tender his resignation in every case where fault is found. The evidence tends to suggest rather that while ministers continue to be held accountable to Parliament in the sense of being obliged to answer to it when Parliament so demands, and to indicate corrective action if that is called for, they themselves are not held culpable—and in consequence bound to resign or suffer dismissal—unless the action which stands condemned was theirs, or taken on their direction, or was action with which they ought obviously to have been concerned.

4.2.2 Although some classical descriptions of the principle of ministerial responsibility may have been too simplified even for their time, it is true that in the formative period of the Commonwealth Constitution and governmental development—the late nineteenth century and early decades of this century—the activities of government, and especially central as distinct from local governments, were not so wide-ranging, complex or technologically sophisticated as to make it unreal to expect a minister of state to take an active part in the detailed administration of the affairs of his department, and to bring to its work a degree of expertise not significantly inferior to that of the more senior of his civil service subordinates. Nor was it impossible for Parliaments to exercise their supervisory functions with a degree of proficiency comparable with that of the administrators whose actions were being scrutinised. The circumstances of government today are very different. The range of functions undertaken by government has increased, and so have the numbers of individuals employed in the service of government and the financial and other resources at the state's command. More and more the work of government has come to depend on sophisticated technology and specialist skills. In the process there has been a marked change in the distribution of real power between Parliament and the executive, a change promoted not only by consolidation of political party influence, but by Parliament's own action in delegating wide and important decision-making authority to officers and agencies of the executive.

4.2.3 There are special factors in the Commonwealth government setting which tend to limit ministerial involvement in administration. Many ministers have long distances to travel between their electorates and the principal seat of administration, to which they must also travel as the seat of government. They are subject to the personal and political circumstances which cause most members of Parliament to vacate Canberra when Parliament is not sitting. Practices in the Australian Parliament relating to the incidence of divisions and arrangements for question time require a more continuous attendance of ministers in the Houses than is the case, for example, in Britain. Again, a minister's sense of relative detachment from the running of his department may be influenced by a convention which appears to be associated with some interpretations of a sub-section in the Public Service Act. The phrasing of this sub-section, 25(2) of the present Act, has been unchanged since the original enactment of 1902, and reads:

> 'The Permanent Head of a Department shall be responsible for its general working and for all the business thereof, and shall advise the Minister in all matters relating to the Department.'

4.2.4 This sub-section and the convention of limited ministerial power which is

sometimes associated with it were quoted by the former Prime Minister, Mr Whitlam, in a letter addressed to the Chairman of the Commission on 16 July, 1975, requesting that the Commission 'consider the question of how power over and responsibility for departments should be divided between Ministers and Permanent Heads, consistent with the Constitution', and that it 'make recommendations on these matters'. This request followed the tabling in the House of Representatives of an opinion submitted at the request of the Prime Minister by the Solicitor-General, Mr M. H. Byers Q.C., on 20 June 1975. The effect of that opinion, the Prime Minister suggested, was 'to cast some doubt upon the convention that a Minister's power to involve himself in the administration of his Department is very circumscribed and consequently upon the power and responsibility of a Permanent Head for the administration of the Department'. The Solicitor-General had said that section 25(2) of the Public Service Act must be read subject to section 64 of the Constitution which provides, among other things, that:

> 'The Governor-General may appoint officers to administer such departments of State of the Commonwealth as the Governor-General in Council may establish.'[1]

He quoted from and endorsed an opinion of Dr H. V. Evatt, as Attorney-General, dated January 1944. Dr Evatt had said:

> 'The true position is that section 25(2) is intended as a general definition of the responsibility of a Permanent Head, but it must be read with the qualification that the responsibility is subject to the higher responsibility of the Minister and must be exercised subject to the Minister's direction and control. So construed, section 25(2) conforms to the undoubted constitutional position, and subject to that qualification it stands as part of the statute law of the Commonwealth . . . (T)he section must be read so as to harmonise with the practical working of our system of Government. Therefore, although the section has the force of law as regards the internal organisation of Departments of the Public Service, it is, in relation to the Government, really an administrative provision and does not operate as a legal limitation on the Minister in the execution of his responsibility as head of the Department.
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> Section 25(2) . . . is a long standing provision, it is part of the established administrative pattern, and . . . it consists with constitutional principle and usage and is not a legal limitation on the Minister in his direction and control of administration.'

4.2.5 The relationship between a departmental head and his subordinate officers on the one hand and the minister on the other is affected by both law and convention.[2] In a general sense, the department is the arm of the minister, and its administration is his responsibility, for which he must answer in Parliament, but section 64 of the Constitution does not prevent the Parliament from vesting statutory powers directly in departmental officers which may be exercised independently of ministers. The Commission does not dissent from the general proposition that sub-section 25(2) of the Public Service Act must be read subject to the minister's general responsibility under section 64 of the Constitution for the administration of the department. It recognises that the sub-section was intended

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1. See Chapter 2.1.5 for the full text.
2. Two consultants to the Commission, Dr Colin A. Hughes and Professor R. N. Spann, have referred to the issues raised by Mr Whitlam's request. Relevant extracts from their papers appear in Appendixes 1.H and 1.I.

not so much to define the permanent head's relationship with the minister, as to establish his position against any tendency to excessive managerial involvement by the central personnel authority—initially the Public Service Commissioner, and subsequently the Public Service Board. This interpretation of sub-section 25(2) does not derogate in any way from the primary and direct responsibility which the sub-section imposes on the permanent head or from the particular legal powers the Act confers upon him in relation to personnel matters.

4.2.6 This direct and primary responsibility is reinforced by section 17 of the Act which imposes a duty on the Public Service Board 'to devise means for effecting economies and promoting efficiency in the management and working of Departments'. The section provides that 'the Board shall in the first place advise the permanent head of the Department of its suggestions and proposals', and that if the permanent head does not concur, the Board may make a recommendation to the minister administering the department. If the recommendation is not approved by the minister within a reasonable time, the Board may report the matter to both Houses of the Parliament either in a special report or in its annual report. Thus, while the section presupposes the existence of an overriding residual authority in the minister to direct the taking of measures recommended or suggested by the Board, it also makes it clear that the permanent head has the primary responsibility for responding to the Board's proposals, and that the minister's authority should not be invoked unless the permanent head does not concur in or adopt the proposals, for reasons which the Board does not find satisfactory. Taken as a whole, the Public Service Act can be said to represent a deliberate decision by the Parliament to confine ministerial authority in relation to the employment and management of departmental personnel.

4.2.7 In considering whether section 25(2) ought to be retained either in its present or in a modified form, we have had regard to the significance attached to it, particularly by senior officers. It does not on its face make clear that the responsibility of the permanent head for the 'general working' and 'all the business' of the department is constitutionally subordinate to that of the minister. Nor does it make specific the responsibilities of the permanent head for the efficiency of his department which are implied in section 17 of the Public Service Act. Further it was put to us that the provisions of section 25(2) are inconsistent with the powers and controls exercised by the Public Service Board over departmental staffing, for example through section 29 of the Act.

4.2.8 We see difficulties in attempting to write into a statute a broad statement of the responsibilities of departmental heads over and above those implicit in provisions conferring on them specific powers, functions and duties. The main significance of the section seems now to be to emphasise the fact that, whatever are the functions vested in the Public Service Board or in ministers, departmental administration and advice to the minister are primarily the responsibility of the departmental head. Difficulties in attempting a reformulation of the clause also arise because a departmental head, while undoubtedly responsible to the minister, is under a continual obligation to take into account not only legal provisions such as those contained in the Public Service Act or in legislation administered by the department, but requirements which originate in the decisions of other ministers, not always under statute, for instance, Cabinet decisions, Treasury rulings and Board advice. One possibility would be to repeal the provision, but we do not favour this course. An alternative would be to draw

up a provision along the lines of section 25 of the New Zealand State Services Act 1962 which reads:

> 'In addition to any other functions and duties imposed by any other Act, the permanent head of every Department of the Public Service shall be responsible to the Minister for the time being in charge of that Department for the efficient and economical administration thereof.'

4.2.9 Although a provision in these terms has the virtue of making clear the responsibility of the departmental head to his minister, and also his duty to ensure efficient and economical administration, it may not fully take into account the obligations on a departmental head to comply with decisions referred to above which originate with other ministers (including the Cabinet) and which are not always based on statutory powers. Occasions can arise when a departmental head senses conflict between a proposal of his minister and the understood intentions or policy of the Cabinet, and we do not underrate the significance of such difficulties. Changes in sub-section 25(2), to include reference to economical and efficient administration and to emphasise the role of the minister are certainly desirable, and we *recommend* them. An attempt should also be made in the redrafting of this or other sections of the Act to indicate the broader setting of senior officers' obligations. There are, however, innate difficulties in making legislative provision to cover the shades of obligation owed by a department head to the minister and to other authorities, including the Cabinet, the Prime Minister and the Public Service Board. These difficulties have been an important strand in our consideration of the question whether there is a need to develop a recognised system of conventional procedures to assist ministers and officials in difficult cases where statutory provisions do not provide clear-cut answers. R14

4.2.10 **Conventions:** It has been urged upon us that the Public Service may need more conventions than it has, and possibly rather fewer attempts to define duty by law and regulation.[1] On the other hand, there have been forceful expressions of the view that the concept of 'convention' is difficult to apply in the context of administrative arrangements which need great flexibility if they are to maintain effectiveness; and that in any case conventions develop rather than are made, and contain within them their own sanctions. Essentially, conventions have developed around longer term issues and the normative relationships between the important elements in the framework of government—Parliament, Governor-General, ministers, and to a lesser extent departments and statutory bodies. In a letter commenting on Professor Spann's paper, Sir Paul Hasluck expressed the view that while it is possible to recognise the existence of conventions such as those to which the paper refers, any formulation of them as a code would give a rigidity which might prove an impediment to new development. Sir Henry Bland expressed a similar warning and added the suggestion that general agreement would be likely to be secured only to platitudes. Our views run in the same direction. A great deal of the day to day activities of ministers, and of departmental officers, would be inhibited by a comprehensive statement of practices carrying an implication that they should be followed in circumstances such as those described. Administration and policy are so much interwoven that practice in one case could well prove stultifying if applied to another.

1. See the discussion in Professor Spann's paper, Permanent Heads, Appendix 1.I.

4.2.11 Nevertheless, we remain conscious of the occasional need for the resolution of serious problems for which legislation cannot fully provide. It is also clear that such problems should not be treated on an entirely ad hoc basis as each one arises from time to time. A method is to be sought for preserving and helping to clarify a body of knowledge and experience of normative developments in administrative practice. Among the questions which have come to our notice has been the extent to which the resources of the public service should be used for 'political' purposes at election times. It has appeared in some other cases that a minister has asked a departmental head to carry out an action which the departmental head believes may either be illegal or in conflict with Cabinet understandings. There have been occasions when ministers in a new administration have asked to see files containing Cabinet or other confidential papers of the earlier ministry. Again, ministerial private secretaries or members of their staff can find it difficult to decide what their response should be when they become aware in confidential circumstances of developments in the department or in the office to which the minister or the department is not privy.

4.2.12 There should be well recognised procedures available for persons who find themselves in complex situations of this kind, enabling them to obtain guidance, and they should have the benefit of advice which is based primarily on
R15 an acquaintance with previous case history. Accordingly, we *recommend*

(a) that ministers, and members of the administration, recognise that one of the functions of three important holders of statutory office—the Chairman of the Public Service Board, the Solicitor-General and the Auditor-General—is to be available to discuss with a minister or a member of the administration problems which emerge in the course of administration of a kind which, because of their sensitivity, cannot readily be handled through the normal machinery;

(b) that the Public Service Board be responsible for gathering together and maintaining what might best be described as a body of administrative case studies to be available to assist when similar issues arise in the future. Although the Board would be expected to gather together and hold full details, it would not be necessary, or expected, that it should make these available when inquiries are made. The object would be to assist in identifying the range of responses which could be made to developing situations.

The listing of the three statutory officers in (a) is not intended in any way to suggest that it would be inappropriate for ministers to discuss their problems with their colleagues and particularly the Prime Minister, or for officers to discuss their problems with other members of the administration, including perhaps on some occasions the Secretary to Cabinet.[1] We would expect these opportunities for collective deliberation to be taken in the normal course, and on many occasions that would suffice. Our concern has been to provide an understood channel for consultation when for any reason other means are not available. Insofar as there is a need to state more clearly what seem to be the appropriate relationships between ministers and their departments, or between the co-ordinating agencies and departments, or between members of the administration and the public, we have ourselves attempted in the course of this Report to state, as a result of our

1. See also our discussion of ethical problems in Chapter 2.4.

inquiries, the practices, procedures or principles which we consider exist or should apply.

4.2.13 On the particular questions of how far a minister's authority and responsibility for the detailed organisation and administration of his department should extend, or how it should be divided with the departmental head, we are not persuaded that it would be useful to go further in terms of specific legislation than the changes we have recommended above in connection with section 25(2) of the Public Service Act. To some extent, other statutory provisions conferring specific powers on departmental heads already make a division of responsibilities. But to speak in practical terms, we consider it is appropriate for departmental heads to obtain the approval of their ministers for any significant changes in organisation. This would be no less the case when the new arrangements that we envisage for a greater delegation of authority to departments come into operation. Ultimately, it is the minister and Cabinet who determine what staff a department will have to carry out its functions, and over-all dispositions are therefore of some significance. In relation to appointments of senior staff, it would normally be appropriate for a departmental head to let the minister know what he had in mind so that he might take account in his final decisions of any views the minister might care to express.

4.2.14 There has been some suggestion that the provision in section 25(2) that the departmental head is 'to advise the Minister in all matters relating to the department' may be intended to intimate to the minister that where he seeks advice from the department it should be obtained of and through the departmental head rather than of subordinate officers. Whatever the strict meaning or intent of these words, it is clear to us that while it is for the minister to determine, within the limits of his portfolio responsibilities, the character of work to be undertaken by the department and the order of priorities, the decision about which officers do what work rests with the head of a department, who must also be in a position to co-ordinate the advice offered to the minister. In practice, arrangements are best left to the good sense of each department, with the primary responsibility resting on the departmental head to make arrangements with the minister that will best suit the efficient working of the department. Particularly where there are differences of view within the department, we consider the best course is for practices to be adopted whereby the minister becomes aware of those differences. An associated issue brought to our attention concerns the responsibility a departmental head has to advise his minister in the added capacity of minister assisting in the administration of another department. Strictly construed, section 25(2) would exclude responsibility in such circumstances, and we consider that construction should be acted upon. Advice to a minister when he is acting in an assisting capacity to another minister should be regarded as the responsibility of the departmental head of the other department, although we would not, particularly where portfolio responsibilities are related, wish to preclude working arrangements being made at ministerial and departmental levels. The important objective is to ensure that functional lines are kept clear, and that one department does not interfere in the business of another on the inappropriate ground that its minister is for the time being assisting another minister in the exercise of collective ministerial responsibility. R16

4.2.15 Although ministers may no longer have scope for the degree of detailed control over their departments and the administration generally that they had in

the early years of this century, they continue to be a vital part of the administration. Having heavy duties outside their ministerial office which make repeated and insistent calls upon their time and energies, they are able to give only part of their time to their departments and are often greatly preoccupied with issues which are of little or no concern to those departments. By background, experience and qualifications a minister brings special attributes to his position which are more likely to complement than duplicate those of his staff and of his departmental head. It would be unrealistic to design a system of administration which, to operate effectively, needed the hour to hour and day to day leadership of the minister. At the same time, the structure should not be such that an energetic and able minister cannot, if he so chooses, play a very active role in departmental operations. Nevertheless, the more usual need seems to be for arrangements by which ministers can be relieved of some of the instant pressures of management so that they can provide general and political leadership and get on with their other jobs—and so that departments on their side are not continually hampered by being unable to proceed for want of authority. We can see no way by which the precise roles of ministers and departments can be defined. The arrangements must be sufficiently flexible to allow departments to operate effectively both with ministers who, of their own volition or through political or other necessity, become heavily involved in the working of their departments and with ministers who for often equally cogent reasons do not spend a great deal of time with their departments.

4.2.16 It was constantly put to us, and we agree, that it is not possible to separate 'policy' from 'administration'. We believe that departmental administration is the concern of ministers: they need to be encouraged to concern themselves more with problems of administration and implementation, and to understand those problems better. This does not mean that ministers should become involved in all aspects at all times, and particularly in staffing matters, which in substantial measure are reserved for departmental management by the provisions of the Public Service Act. But it does mean that management, with its important consequences for the way in which programs are actually carried out and people receive the benefits of those programs, ranks in importance with 'policy' issues.

4.2.17 One of the obstacles to ministers becoming more involved with their departments is that they have very little opportunity, particularly when
R17 Parliament is in session, to spend time in them. We *suggest* for consideration the possibility that arrangements might be made so that times when divisions would be taken in the two Houses would be determined in advance.[1] This would not only enable ministers to become a more effective presence in their departments, but also assist parliamentary committees, if given leave to meet during sitting hours, to proceed with their own business.

4.2.18 It would hardly be appropriate for us to make formal recommendations for the conduct by ministers of their responsibilities. However, the lack of emphasis on their departmental management role may to some extent be a consequence of attitudes by departmental heads and their senior officers. We

1. We understand that in the House of Commons at Westminster arrangements are made by which the times for divisions are planned in advance, or else divisions are taken at understood times, normally in the evening.

recommend that departmental heads and senior departmental officers review the content and style of their advisings, to ensure that ministers are not insulated from management problems and that their implications are brought fully to notice when 'policy' matters are under consideration. Factors contributing to the low-key role of some ministers in the processes of administration may be a sense that their function is to oversee and be critical of the administration, and a feeling that, if they become involved in such matters, they are more likely to attract criticism when defects in the administrative process come to public knowledge. There may be something in this. But administration reflects and incorporates political values, and in a system of responsible government there is no way in which a minister should avoid answering for his department in Parliament and in public. It would be in the interests of good administration that he had a more detailed understanding of the processes. This would make it possible for him to come better informed to the problem and to improve awareness in the community of the difficulties of administration. R18

4.3 THE DEPARTMENT OF STATE

Flexibility of Structure

4.3.1 The department of state is, under the Australian Constitution, the principal instrument of executive government. A department is nowhere defined, although its existence is explicitly assumed in section 64 of the Constitution.[1] The department is the only type of executive organisation to which the Constitution refers (apart from the Inter-State Commission), although the colonial governments had before 1900 demonstrated the practicability of other forms of organisation, especially for the conduct of business enterprises. The essential mark of a department in the Australian system is that it works directly to and for a minister and that it is, except where otherwise provided by legislation, subject to his direction. At the non-political level it is under the direction of a single 'permanent head'. Departments can be created and abolished at the discretion of the executive and they share a common framework of control starting with ministers and Cabinet and extending through the Public Service Act and Regulations, the Public Service Arbitration Act, some specific staffing legislation, and the Audit Act and Treasury Regulations.

4.3.2 Departments are usually structured according to the functional divisions that can be made in their work. The hierarchical organisation universally adopted in departments is described by the Public Service Board as follows, in the first of its Background Papers for the Commission:

> 'Departmental organisations typically contain a number of common elements such as office, division and branch. The forms of organisation of departments vary considerably, however, according to individual circumstances and needs.
>
> In circumstances where the workload of general management and policy advice to the Minister is too great for a Permanent Head to carry, one or more positions of Deputy Permanent Head, e.g. Deputy Secretary, may be created. The occupants of these positions are intended to act as 'alter ego' of the Permanent Head, settling part of his workload.
>
> The basic organisational framework of a department is set by its top management structure, which is usually regarded as comprising the Second Division positions. The work done in each department at levels below the

1. See paragraph 4.2.4.

Permanent Head is organised into primary management responsibility centres called *Divisions*, formed by the grouping of related activities. Each Division is controlled by a Division Head (e.g. First Assistant Secretary), who is responsible for managing the affairs of his Division and advising the Permanent Head on matters affecting his Division. He is also expected to participate, under the Permanent Head, in the broader management of the department.

Within each Division the work to be done is organised into *Branches*, so as to give the Branch Heads (e.g. Assistant Secretaries) areas of responsibility and volumes of work which are broadly equal within the department. The activities of the Branches are often grouped in *Sections*, each Section handling an aspect of the Branch's objectives. Below Branch level, however, there is a wide diversity of organisational forms from department to department.

Additionally, various 'outrider' organisations somewhat separate from the main central office structure, are to be found in a number of departments. Most outriders comprise groups of positions established under the Public Service Act to service statutory bodies (e.g. the Australian Broadcasting Control Board and the National Library).

State or regional activities of departments are typically carried out by establishments headed by Directors or Regional Directors, who represent the Permanent Head and normally report directly to him.'

4.3.3 Although the number of departments is fairly small—25 at the date of writing—and their staff comprise about 155 000 (of whom 112 000 are permanent employees), out of the total Commonwealth payroll (including defence forces) of nearly half a million, they have never been shifted from their central position in the administrative system. Unlike organisations created by statute, departmental organisation possesses great flexibility. Their charters, the work they perform and the statutes which they administer on behalf of the minister may be and have been in the past subject to rapid alteration. They are the most adaptable of all forms of government organisation, and we would not have it otherwise. It is typical of this flexibility and adaptability that there should be no stereotyped picture of the 'department of state', nor is there any great body of literature on the department as an instrument of government, as there is in the case of public corporations. Departments perform a remarkably wide variety of work, which stretches from the classical functions of the civil service in law, order and defence to the provision of ever more sophisticated welfare services to the public, the collection of revenue, the performance of regulatory functions and productive and manufacturing activities. There is hardly an activity of government which is not, in some form or other, performed by a department.

4.3.4 One of the Commission's central objectives is to achieve for departments great flexibility in the management and organisation of their internal affairs. Attractively simple as is the uniform structure which now applies across departments, and helpful as a fairly standardised nomenclature is to those wishing to do business with departments—including ministers—we would not expect the present uniformity to endure indefinitely in the more flexible conditions we propose, but we also consider that firm decisions on restructuring should be undertaken only after examination reveals a clear functional need for a new framework, for example when the standard form has concealed the true nature of the operation. At present, it is possible to depart from the standard form, but only after the expenditure of considerable effort and the elapse of much time. The more flexible arrangements we envisage for the internal organisation of

departments are designed not only to allow them to change more quickly to meet their own functional needs but also to enable them to comprehend within their structures more of the functions currently carried out by separate bodies—statutory or otherwise.

The Management of Departments

4.3.5 A major part of this Report is concerned directly or indirectly with the promotion of vitality of thinking and efficiency within departments. As already indicated, the Commission believes these qualities will be developed if a combination of increased initiative and increased accountability enters into all levels of departmental activity. The first necessity is to make a conscious concern for defining, meeting and reviewing objectives the common characteristic of all departmental employees. Changes in organisational structure will not in themselves produce this result, but an inappropriate structure will inhibit it, and managerial arrangements can be adapted for its promotion. A rigid hierarchical stratification can certainly be inhibiting. While the Commission's proposals imply increased scope for the heads of departments, they equally require a transmission of powers of initiative from more senior to less senior officers, and they are inconsistent with the notion of the permanent head as a remote figure of authority. Specific evidence which the Commission has obtained on departmental performances has shown that delegated initiatives and the involvement of staff in the consideration of methods and goals are indispensable for administrative efficiency. The examples we have noted include some findings of deficient performance in welfare delivery made by the Commission's Access Research Program, the responses of some officers to the Career Service Survey indicating frustrations at under-employment and isolation from departmental objectives, and the evidence in some of the efficiency reviews which the Public Service Board sponsored in 1975. On the other hand, the capacity of some departments to take initiatives without prompting from the central authorities is indicated, for example, in the report of a consultant to the Commission, Professor Cutt.[1]

4.3.6 Some recent experience in overseas countries suggests that it is easier to devolve authority from central controlling agencies to departmental heads than to ensure that the process is followed through in departments. To a degree this has been due to the neglect of the former controlling agencies, when delegating authority, to maintain a monitoring role and lay down guidelines. The Canadian Auditor-General has described this type of unsatisfactory development as 'decentralisation without effective central direction'.[2] A realistic program of delegation combined with accountability in departments must meet all five of the prerequisites discussed in Chapter 3: a clear knowledge of objectives; identification of all employees with the pursuit of objectives; maximum scope for decision making at all levels; managers' access at all levels to relevant information and expertise; and regular assessments of performance of all staff. The most appropriate arrangements for meeting the requirements will vary according to functions, costs, geographical spread and other circumstances of each department, but there will be some common features. Within departments, there will

1. J. A. Cutt, Program Budgeting, see Appendix 1.C.
2. Supplement to the Annual Report of the Auditor-General of Canada, 1975, paragraphs 9.2, 10.2–3.

have to be strengthened capabilities both for positive managerial development and for the internal assessment of performance. For the first of these functions, a further development of the management services units already existing in departments would be appropriate; while the function of performance assessment could well become an extension of the present internal auditing sections, requiring additional skills.

4.3.7 In whatever way these arrangements are formalised in particular cases, they will have to involve all sections of the department, providing for rotation of the personnel engaged in them and the representation of all facets of the department's activity. Management services units are rightly being given increased importance in many departments, and our proposals certainly imply further developments in that direction. This does not mean, however, that the development should take the form of simply elevating the status of a specialised unit within each department, as has been a trend in Canada. A more appropriate response is to ensure that the concern for managerial improvement is spread more widely throughout the operating divisions of the department. It also has to be recognised that in the cases of small departments and new departments, where a building up of management services units is difficult or inappropriate, the Public Service Board would have a particularly important supplementary role in promoting innovation and improvement.[1]

4.3.8 Among other common elements to be expected in the future management of departments would be a concern for experiment, which clearly cannot be left simply to a specialised section. A further common factor would be the involvement of various sections in the preparation of forward estimates, which itself calls for the co-ordination of policy and management objectives. Another would be the preparation of annual reports by departments, in which performance is weighed against objectives. Externally, the indispensable common factor for the departmental operations will be the continual guidance, advice, monitoring and assessment from the central financial and personnel agencies and the Auditor-General. The central personnel agency, in particular, would be in a position to encourage experiments in organisation within departments on an ordered basis, so that objectives are clearly defined and outcomes monitored, with a view to making available generally the results (successful or not) and promoting a developing body of knowledge about organisation based on experiments. Clearly, the process of passing decentralised authority down the line will present difficulties for departments, and the Public Service Board could assist with advice and by arranging consultations between officers facing similar problems.

4.3.9 Since the Commission's proposals relevant to departments range beyond matters of internal initiative and accountability and would involve not only departmental heads and senior managers, but officers throughout the service, it might be easy for some departments to become overwhelmed by the magnitude of the task of implementation. In recognition of this, our proposals for implementation in Part C of the Report entail not only that the task be approached on a co-operative basis with the active engagement of the central agencies, but also that each department develop for itself a program of administrative review and adjustment that will over a period of time enable it to achieve the objectives

1. See also Chapter 9.5.11–16.

according to a determined order of priorities. It would be consistent with our general suggestions for ministers' involvement in administration of departments if they were to be fully consulted about each program of implementation, and the priorities it implies.

4.3.10 **Departmental Boards:** Our proposals to give greater autonomy to departmental management are not intended to concentrate authority and power in the head of the department. One person will less and less have the time or expertise to make decisions on the range of matters devolved upon departments, and debate about objectives and priorities will increasingly be desirable. For these reasons the Commission has been interested in recent attempts to establish consultative or advisory groups around the head of the department. It has been suggested that these groups, which have included senior members of the department, could also include any senior personal adviser the minister may have on his staff and in some instances the heads of statutory corporations for which he is responsible. At this stage, it is too early to predict how far these trends in departmental management will or should develop.

4.3.11 The Commission had hoped to encourage two or three departments to experiment with departmental boards so that we could include at least a provisional assessment in our Report, but that did not prove practicable. Nevertheless, we note with interest that the Department of Environment, Housing and Community Development has continued the arrangements made by the Department of Urban and Regional Development for a Departmental Executive. The Secretary to the Department has commented that the executive panel:

> 'is not an added burden but an absolutely essential technique which offers the following advantages—
>
> - regular and organised accessibility to the experience and collective wisdom of the department on a wide range of policy and administrative matters;
> - improved management of the department because of the common awareness of problems and objectives;
> - regular machinery for review of co-ordination and communication;
> - exposure of a wide range of staff to executive issues and staff training and development;
> - an easy device for delegation;
> - machinery for load sharing on a basis cutting across divisional structure;
> - the tremendous convenience of knowing that once a week at a regular time in an organised way the Executive of the department will be available for whatever problems present themselves.'

4.3.12 We are aware also that less formal arrangements have been made in other departments, such as Foreign Affairs, to share the tasks of top management and policy. Such arrangements are made by the permanent head of a department, and do not derogate from his responsibilities under sub-section 25(2) of the Public Service Act. We consider it undesirable to make any firm recommendation on such arrangements but we *recommend* that departments, in consultation with the Public Service Board, explore various methods of collective decision making, and that ministers, at least from time to time, involve themselves in the work of the groups concerned. R19

4.3.13 We have considered whether such 'departmental boards' would benefit from the presence of members from outside the administration as do the boards of

statutory bodies. On the whole we consider such a development unsuitable, because of the complications it would introduce into the relations between the department and the minister. There could however, be advantages in developing advisory bodies in association with departments. We have indeed proposed in Chapter 6 that an advisory board with local outposts be appointed in the Welfare area. We note also that there is a developing range of industry advisory panels associated with the Department of Industry and Commerce. We see scope for more widespread and effective use of such bodies.

4.3.14 **Chief Officers—a revitalised role:** The increasing range, complexity and sophistication of administration add to the pressures on the departmental head. These are intensified by excessive centralisation of administration within departments. Accordingly, we consider managerial responsibility should be more evenly distributed throughout the system.

R20 4.3.15 To this end, we *recommend* that the position of Chief Officer be revitalised. This is a position included in the original Public Service Act primarily to assist in the administration of departmental branch offices at a time when communications were very much slower and less effective than they are now. Today, these offices could be made more effective and enabled to contribute more to good administration if responsibility were more evenly spread, and decisions were made as close as possible to the people directly affected by them. We have more to say on the spread of responsibility away from the centre in Chapter 7. The revised concept of the Chief Officer position set out below is designed to give departments an instrument for the delegation of managerial powers and the improved

R21 operation of statutory bodies and other 'outriders' of departments. We *recommend* that new arrangements be made (where necessary, by changes in the Public Service Act) to provide that:

(a) the Chief Officer be responsible to the permanent head for the day to day management of those units of departments placed under his control and for the exercise of the Chief Officer and any other powers conferred on him;

(b) subject to (a), the Chief Officer be vested with day to day powers in respect of personnel, with determination (within limits) of the number and distribution of staff, with allocation of available funds and with the exercise of financial powers under the Audit Act and Treasury Regulations (to this end he should have authority to delegate any of his powers);

(c) permanent heads of departments and chief executive officers of other organisations staffed under the Public Service Act (including statutory officers currently exercising the powers of a permanent head) be ex officio vested with Chief Officer powers;

(d) appointments of Chief Officers be made by the permanent head with the concurrence of the Public Service Board (the present position is that they are appointed by the Public Service Board on the recommendation of the permanent head).

We do not suggest that a Chief Officer be given the full authority of the department over staff numbers and allocation, but rather that the departmental head would delegate to him the whole or at least a substantial part of his authority to decide on staff numbers and to make promotions within large branch organisations.

4.3.16 We recommend in Chapter 7 the regular review of delegations given by

the central administration of departments to other officers in the department. That review would properly include an examination of appointments to Chief Officer positions, and of delegations made to them (and other officers) by permanent heads. Chief Officers might be appointed from:

(a) heads of State and regional branches or offices of departments;

(b) the heads of bodies, such as the Overseas Property Bureau, the Bureau of Meteorology, the Australian Government Publishing Service, the Australian Information Service, which exercise managerial autonomy;

(c) the heads of such bodies as the Bureau of Agricultural Economics, the Bureau of Transport Economics, the Bureau of Mineral Resources, Geology and Geophysics which are responsible for independent research.

4.3.17 **Common Services:** All Commonwealth government departments have day by day to call on services and resources in addition to staff and finance. They will need buildings from which to operate, furniture and other fittings, equipment, stationery and other stores, and a variety of communication links. Transport may have to be supplied; staff may have to be provided with canteen services. Buildings have to be cleaned, maintained and modified to meet changing needs. The department's activities will require legal, statistical, library and other information services. There is a growing need for departments to have access to facilities for printing, publishing, advertising and computing.

4.3.18 Given adequate finance, individual departments and authorities could be left to find ways of meeting most of these needs by purchasing from or contracting with the private sector. However, there has been a strong trend towards providing many of them by government agencies, themselves centrally controlled. This trend reflects primarily the desire to guarantee availability, to control quality standards and to enable more rational planning for future supply against changing needs.

4.3.19 Doubts have developed, however, as to whether in practice these benefits are sufficiently realised to offset the apparent disadvantages of central control—particularly the loss of flexible and prompt initiative by the department or agency which requires the resource or service concerned.

4.3.20 A considerable discussion of the problems of decentralisation of 'supporting services' for government is contained in the 1962 Report of the Canadian (Glassco) Royal Commission on Government Organisation. That report assembled a number of arguments in favour of the centralisation of such services, stating as part of its conclusions that:

> 'provided the administrators are able to control the level and quality of the supplies and services their programs require (subject to normal budgetary limitations and any general standards by which they may be governed), the actual management of supporting services may be left to others.'[1]

The proviso in this sentence is perhaps the most important consideration relating to provision of supplies and services to government organisations by a central agency. The management of services on a day to day basis is often difficult to distinguish from control of such services.

4.3.21 The arguments for the centralisation of such services may be summarised as:

1. Glassco Report, Vol. 2, p. 13.

(a) **Economy:** With the expansion of government operations in recent years there has been an increased need for supporting supplies and services. Centralisation of such services eliminates wasteful duplication, leads to economies of scale effected by, for example, bulk purchasing, and establishes guidelines and standards eliminating extravagance by individual departments.

(b) **Efficient Use of Resources:** In many areas such as publishing and the negotiation of leases, there may be a scarcity of people with the required expertise. Centralisation creates a 'pool of expertise' on which departments can draw.

(c) **Career Structure:** Where specialised skills are concerned, pooling arrangements permit the creation of more attractive career opportunities for professional and para-professional officers.

(d) **Decreased Burden for Administrators:** Common service and supply agencies relieve program administrators from chores which may be undesired distractions from their central concerns. This argument is more relevant to smaller, policy making departments which have only intermittent need for many of the services in question.

4.3.22 These arguments are compelling to the extent that they assert a need for the availability of central service facilities. They are less compelling as a demonstration that the use of such services should be made mandatory. The Glassco Commission itself refers to the success of the 'General Services Administration' in the United States, an omnibus service organisation which:

> 'has relied on the quality of service offered rather than on any compulsory power, to promote the use of its services by departments and agencies of the United States Government. By delegating substantial powers to its ten regional offices, it has been able to respond promptly and effectively to the needs of government operations throughout the country.'[1]

4.3.23 Many of the services required by Commonwealth government departments and agencies are at present supplied by central agencies. The extensive range of such services covers:

(a) office accommodation and other property;
(b) furniture, furnishings and fittings—designs, provision, maintenance;
(c) land, engineering and topographical surveys;
(d) building construction;
(e) telecommunications facilities;
(f) transport and storage facilities;
(g) food services;
(h) legal services;
(i) printing, publishing and advertising;
(j) purchasing policy and operations, and disposal of surplus goods;
(k) fire protection advisory services.

In addition, the need for central library and Automatic Data Processing (ADP) facilities has been suggested.[2] We also discuss in Chapter 11.6 management consultancy services provided by the Public Service Board.

1. Glassco Report, Vol. 2, pp. 14–15.
2. See Chapter 10.7 and Appendix 4.D, 'Information Services'.

4.3.24 The Commission believes that in general central service agencies should support but not control. Except where control or regulation has been envisaged by the government as part of a central agency's role, and is clearly provided for by legislation or Cabinet decision, common services should be available supports rather than constraints on managerial initiative. Thus, as a general rule, we *recommend* that common service agencies: R22

(a) should have no control over the users of the services, provided the requirements accord with government determined general standards;
(b) should, where practicable, charge for their services;
(c) should, again when practicable, compete in the provision of services with 'outside' sources.

4.3.25 **Departmental Reports:** There has been a developing practice for departments to prepare annual reports. We *recommend* that the process be R23 continued, with a view to each department preparing annually by a fixed date a report on its activities. There need be no prizes for the glossiness of covers or the length of the production. Our purpose is to ensure that departments make available for public information and discussion, material which would not otherwise be released. The annual report should be a vehicle by which departments furnish an account of their activity and performance in terms of ministerially approved goals and objectives. It should provide background information that is necessary for an understanding by Parliament and the public of the department's annual expenditure and forward estimates. A departmental report will necessarily be somewhat different in approach and content from the report of a statutory body. A department works for a minister, who is directly and publicly answerable for its activities, whereas a statutory body has a measure of independence (the reason for its creation) and is not in the same way answered for by a minister. There is, however, a great deal of information which departments can produce without engaging in the kind of controversy that may attract ministerial veto. We do not consider that the immediate responsibility of a department to a minister need preclude discussion of issues of real interest and concern. For example, there is no reason why the essence of findings of a trade delegation should not be discussed in the broader context of Australia's trading policy; why the activities of an important interdepartmental committee should not be the subject of some report by the Department of the Prime Minister and Cabinet; why experiments within Treasury or other departments and agencies on economic models should not be described; or experimentation in the Department of Social Security should not be given coverage.

4.3.26 One advantage of preparing departmental reports would be that some of the innovative thinking which we have observed would become publicly known. This would not only promote a sharing of ideas among departments and with the private sector, but would also help to breakdown the prevalent image of stuffiness and remoteness. The report might also usefully include response to criticism. If departments and their managers are to become increasingly accountable for their activities, they need a forum in which to be able to respond to those who have criticised them. It may also be possible for departments themselves to publish financial and descriptive detailed information at present contained in the report of the Auditor-General, thereby enabling his reports to concentrate more on problems and deficiencies he has identified. In this connection, we *recommend* that R24 Treasury, the Auditor-General and suitable representation from departments

and the Public Service Board review the range of financial information available, and its content, and prepare alternative methods of publication which will reduce the amount of overlap, allocate relevant aspects to departments for report, and free the Auditor-General for his primary task of making critical comment where irregularity or inefficiency has been detected.

R25 4.3.27 Without seeking to lay down in firm detail what the content of departmental reports should be, we consider that the following matters should normally be included:

(a) information and comment on policy or management issues which would be of general interest or use, taking in the department's reviews of objectives, its delegating procedures and methods of internal assessment;

(b) response to criticisms made by the Auditor-General, the Public Service Board or other critics. There may also be occasions on which departments wish to record dissatisfaction with the way in which other aspects of the administration are operating;

(c) a report on the activities of the non-statutory bodies attached to the department, containing a record of membership and of activities and, where significant, reference to the annual report from the body or a survey of its activities;

(d) reports from bureaux contained within the department and from statutory bodies responsible to the minister, where the bureau or body does not itself prepare and publish an annual report;

(e) information about grants-in-aid provided to voluntary agencies, interest groups and the like (see Chapter 6) together with an account, where that is not available elsewhere, of the activities of such bodies;

(f) information and comment on

(i) the forward estimates of the department, together with expenditures for a year or two years previously;

(ii) staffing and organisation arrangements (noting significant transfers), including information about training and development;

(iii) consultancy arrangements and an indication where practicable of the contents of consultancy reports;

(iv) statistical material provided in response to requests from the Auditor-General or the Public Service Board (where not published by these bodies);

(g) a careful indication of the facilities the department provides for information-giving or participatory activities. This should include publications, papers available and subjects on which seminars can be arranged, and should indicate points of contact, describe the accessibility of libraries, etc.

The Number and Size of Departments

4.3.28 It is widely agreed that departments should be organised around a coherent function and that, as departments increase in number, the problems of co-ordination become more difficult. These views led both the Bland Committee in Victoria and the Corbett Committee in South Australia to recommend a reduction in the number of departments. The desire to do this is stronger among those who consider that a large department (like the Department of Defence or

the Department of Transport) is the best organisational form for giving effect to government policy. Accordingly it has been pressed on us that we should recommend that, over a period of time, the number of departments be reduced to about fifteen. This, it has been urged, would make possible a relatively small Cabinet and more effective co-ordination of related government activities.

4.3.29 We are not tempted to specify an optimum number for departments or an optimum size. Administrative considerations are clearly important but, as we point out in Chapter 11.5.28, they must sometimes be subordinated to political factors.

4.3.30 This is not to say that departments should be created, restructured or abolished lightly. Over recent years this has been done with insufficient planning; too many small and weak departments have persisted; and interdepartmental co-ordination has become more difficult. Our Career Service Survey[1] showed that morale in departments which had been the subject of major change or reconstruction was disturbingly low.

4.3.31 It is sometimes argued that departments should as far as possible be brought to a relatively uniform or 'ideal' size. We see no particular benefit in such uniformity. Nevertheless, plans for reorganisation should take size into account. On the one hand, there is the inflexibility which tends to beset big organisations more than small, and the tighter *esprit de corps* and greater capacity for concentrated effort characteristic of smaller units. On the other, the more diverse resources of large departments can be a source of strength, and can enable many conflicts to be resolved internally rather than by collective ministerial processes.

4.3.32 On the whole our inclination is towards reducing rather than increasing the number of departments. But if ministerial control is to remain effective, there would in some large departments be a case for more than one minister. Australian orthodoxy has been that the Constitution does not allow the appointment of more than one minister to a department. We have been advised that there is probably no constitutional bar to this,[2] though there remains an element of doubt.

4.3.33 The Constitution does not stand in the way of creation of a number of different types of department, nor does it seem to preclude the adoption of a system whereby some of the ministers are required to administer their departments in accordance with the policies laid down by a co-ordinating minister. It seems that a minister in charge of a department could in effect have an assistant minister by the creation of a smaller department associated with the main department, for instance to oversee the activities of statutory bodies related to the main department.[3] The Commission believes that the use of assistant ministers in large departments such as Defence and Transport would not only reduce the workload on Cabinet ministers but also provide a 'training ground' for promising backbenchers.

4.3.34 **Sectoral groupings:** Suggestions have been made to us that more effectively co-ordinated action could be achieved by the adoption of 'sectoral' or 'cluster' groupings of departments. As an intermediate step in any move towards a reduction in the number of departments, or possibly as an alternative to that

1. See Appendix 3.A.
2. See the paper, Ministerial Arrangements, by Professor Campbell, at Appendix 1.G.
3. Appendix 1.G, paragraph 32.

move, it might be preferable to group departments in functional clusters under the responsibility of one senior Cabinet minister, who would be in charge of one of the departments in the group. Alternatively, at the top of each such grouping it would be possible to create a Policy Board, consisting of the relevant ministers with support from their senior advisers.

4.3.35 We have proposed one such grouping in the Health and Social Welfare area (Chapter 10.3) and in the broad area of industrial development policy (Chapter 10.1); and others which mirror the composition of ministerial committees suggest themselves as appropriate for special functions from time to time—such as the allocation of resources between departments in the Forward Estimates budgetary process, or the development of staffing or regional policies. There would be times when such clusters would make a lot of sense, but we
R26 hesitate to recommend them as a firm structure. Rather we *suggest* that departments generally, and particularly Treasury, the Department of the Prime Minister and Cabinet and the Public Service Board keep in mind the possibility that questions of administration, policy or resource allocation could sometimes be handled more effectively through structured meetings of the departments concerned than by either unilateral action by one of the central co-ordinating groups or by a series of separate bilateral negotiations.

4.3.36 If possible an experiment, perhaps in the resources development field, might be tried as the system of forward estimates is being developed. The point is that we are seeking to open the way, in the long run, for flexibility with a variety of forms by loosening traditional methods—or, perhaps more accurately, by recognising openly that actual practices have frequently differed from the supposed model anyway.

4.3.37 It would be desirable to involve representatives of statutory bodies in these arrangements, making some of those organisations more directly accountable to ministers than they are at present. Major benefits from such arrangements would include the possibility of enabling the full Cabinet to concentrate on the more important and more difficult areas for decision. Of course, this could only occur if there were a devolution of Cabinet responsibilities for decisions to Cabinet Committees and to groups of ministers within specified bounds.

Modes of Providing Advice to the Minister

4.3.38 In this section we examine briefly the role of research bureaux and advisory bodies, and discuss proposals for a more far-reaching reorganisation of departments themselves to make special provision for the development of policy.

4.3.39 **Policy groups:** The policy developing role has assumed increasing importance in the operations of departments, as a result largely of advances in the social sciences. Increasingly sophisticated analysis is required of possible policy options and their effects, and almost all departments now have policy groups of varying size to keep abreast of thinking in the community. The number of officers whose task is wholly or in large part the review and preparation of advice on policy matters for ministerial use is relatively small. In this sense, policy units within departments can be somewhat analogous to management units: specialised groups carrying out in concentrated fashion selected aspects of tasks which the department as a whole is designed to achieve. The first question is whether we should, as some have suggested, adopt a Swedish model of a still more absolute division between 'policy' and 'operational' units. The weight of evidence

makes us conclude that in the Australian context it would be inappropriate to recommend such a separation. The whole thrust of our thinking is rather towards reintegrating the management and the policy functions and using the flexibility of the departmental structure to avoid excessive resort to the creation of separate statutory bodies.

4.3.40 The problem then becomes how to ensure that the department as a whole, and particularly its policy group, is adequately responsive to the changing policies of governments and the changing requirements of the community. Our answer is to emphasise the totality of the function of administration, comprehending both policy and operations, and to ensure that at the staffing and organisational levels the lines are not sharply or firmly drawn. Paralleling our suggestion earlier that there be much greater movement of persons between the specialised management group and the operational parts of departments (paragraph 4.3.7), we look to more effective interaction between those in the policy area and the rest of the department. To this end, we *recommend* that those employed in policy areas of departments should occupy their positions on the clear understanding that at relatively frequent intervals, perhaps at the most three years, their continued occupation of such positions should be reviewed, with the presumption that after one or two terms, and certainly in the normal case before 10 years have elapsed, they will be moved into operational or management areas of a department, even if later they revert to the 'policy' group. In achieving movement of this kind, the opportunity may often be taken of moving a person from a policy area in one department to an operational area in another. Mobile arrangements for the staffing of policy areas should go a long way towards reducing the tendency for hardened 'departmental' attitudes on policy, which may be remote from the general political approach of government or from community attitudes or the operational needs of departments themselves. R27

4.3.41 It has also been put to us that departments should become more responsive through the appointment of outside experts to their policy groups. We do not express hard and fast opinions about this. To the extent that policy and administration are closely interwoven, 'politically oriented' experts are likely to find difficulty in operating within departmental units. In cases where there is a special need for 'political' input, it may be accommodated through task forces arranged by the Department of the Prime Minister and Cabinet (Chapter 11.5). Alternatively, it may be desirable to appoint a person with special expertise as consultant to either a department or a minister or both. A central feature of the arrangements should always be that there is full exchange of information and views between the consultant and the department, so that the minister obtains advice which takes into account the views of both. R28

4.3.42 **Research Bureaux:** We have given some attention to the organisation of research in departments. The difficulty is that the policy-oriented areas of departments, in which the research element is customarily located, are often hard pressed. They deal with the problems thrown up by the emergence of new policy issues, they provide replies to parliamentary questions and material for ministers' use in parliamentary debates, speeches, articles and so forth.

4.3.43 This is necessary work, but it means that many of those holding positions designated as 'research officers' are unable to conduct activities which would be regarded even as applied research in a university. To meet the need for a deeper

and better organised research effort, a number of successful bureaux have been established: the Bureau of Agricultural Economics, the Bureau of Mineral Resources, the Bureau of Transport Economics and the Bureau of Roads. Where there is an identifiable need in the public interest for a substantial investment in research that is in general oriented to the area of a department's activity, but can
R29 be separated from the department's day to day activities, we *suggest* that the bureau form of organisation could be adopted with advantage, and that the activities of such a bureau could be governed by the following considerations which are similar to the proposals of the Commission's Task Force on Economic Policy[1]:

(a) the results of the research should in general be freely published, so that they may be widely used and promote an exchange of ideas;

(b) the research units should be outside the normal departmental framework and be in the form of a 'bureau', as exemplified by the Bureau of Agricultural Economics, and under the charge of a director;

(c) the bureau should have a close working relationship with the department whose work relates to its research activity but it should be largely independent of the department;

(d) to ensure that the community has full confidence in the quality and professional integrity of the bureau's research output, the bureau should not be restricted in the choice of subjects which fall within its range of expertise, or in its methods of investigation;

(e) an advisory board, consisting of representatives of the community affected by the bureau's work and of the related department, should assist the bureau in suggesting research needs and priorities;

(f) in the long run, an increase in the number of research bureaux could create a need for a collective body, an Executive Committee, to bring together representatives of the various bureaux to discuss and rationalise common activities and interests (staffing, research, computer facilities, etc).

4.3.44 We do not, however, recommend a statutory framework for bureaux of this kind. We believe that research bureaux are in general better left within the umbrella of the department, but with a degree of autonomy as recommended above. We add to the suggestions of the Task Force further proposals that, for reasons analogous to those applying to policy groups, the staffs of bureaux be appointed for relatively short, though renewable, periods, and that they be among those included in the staff rotation arrangements, so that there is a continuous infusion of fresh insights and operating experience into the research field (from departments, statutory bodies and outside the administration, for example from universities and relevant industry sectors) and a regular enrichment of the operating areas as a result of periods of research.

4.3.45 **Advisory bodies:** We engaged Dr T. B. Smith as a consultant to provide us with a report on 'Non-statutory Bodies in Australian Government'. His report appears at Appendix 1.L. In what is we believe the first work of its kind, he draws together information obtained from departments about 'non-statutory' bodies. These do not operate under legislation, but at the same time, they are not a part of the departmental structure, although their existence and membership are often revealed in the Government Directory. We felt it desirable

1. See Appendix 4.A.

to investigate this substantial group of bodies because they appear to represent an important link between departments and the community.

4.3.46 It emerges that in mid-1975 there were approximately 245 non-statutory bodies. They often have more than one function, but Dr Smith was able to classify them into six main groups—advisory committees, government service agencies, Commonwealth-State consultative committees, executive bodies, research bureaux and regulatory bodies. Of the total of 245 bodies 199, or more than 80 per cent, are advisory committees and these are the group which are of main interest to us. Their predominant function is to provide advice on policy issues, and expertise in areas of uncertainty.
The advisory committees can be identified as falling into one of five types:

(a) Scientific and Technical Advisory Committees to enable governments to keep pace with rapidly changing technologies;
(b) general purposes committees to advise on broad policy issues;
(c) committees to protect or advance a special interest, such as in agriculture or industry;
(d) committees constituted to perform specific tasks such as the allocation of research grants;
(e) research or fact finding committees.

4.3.47 There is an interesting overlap between Dr Smith's findings in relation to these groups, which are in most cases appointed by the minister or the department, and the 'interest groups' which are the subject of a paper by another consultant, Dr Trevor Matthews, which forms a basis for discussion and recommendations in Chapter 6.[1] Dr Smith found that there was often inadequate secretarial assistance for the committees; that in more than one-third of cases no travel expenses were paid; and that in half of the cases no sitting fees were offered. We *recommend* that attention be given by departments, in consultation with the Public Service Board, to the basis on which non-statutory bodies are appointed and serviced. The review should cover: R30

(a) the functions of non-statutory bodies, with special emphasis upon clarifying responsibilities so that they do not overlap with those of other bodies;
(b) the continued need for the body;
(c) the secretarial requirements.

These reviews should also take into account our further recommendations arising from the discussion in Chapter 6.3.17ff.

4.4 STATUTORY BODIES

Definition and Major Features

4.4.1 Statutory bodies are an alternative organisational form to departments for achieving the purposes of government. In their functions, statutory bodies form a continuum with departments, for while the two types of organisation are functionally distinguishable at the extremes, there are many intermediate cases where they carry out similar types of activity, and in some of these it is difficult to ascertain precisely why the statutory form has been chosen.

1. Appendix 2.D.

4.4.2 The Commission's proposals that greater flexibility be given to departmental operations and structural arrangements should make it possible to reduce the number of independently operating statutory bodies by using instead the established machinery available to departments. For all the variety of form among statutory bodies and the relative flexibility of their structures to meet given objectives, their legislative basis sometimes causes them and others to regard their objectives as unchanging, and makes the adjustment of their functions to meet evolving circumstances relatively difficult.

4.4.3 We have regarded statutory bodies as including all public offices and agencies (incorporated or unincorporated) that are specifically established by or pursuant to Commonwealth law, whether an Act of Parliament or subordinate legislation. An explanatory note appears in Appendix 1.K discussing the definition used and the exclusion from our investigations of such bodies as courts, territorial agencies, offices held by heads of department and certain ad hoc institutions. To illustrate the difficulty of applying a legal definition, Qantas Airways Ltd, because it remains incorporated as a company under State legislation is no more 'statutory' than a private company in legal terms, yet Qantas seems for many governmental and administrative purposes to be indistinguishable from a statutorily created business enterprise, such as TAA or the Commonwealth Serum Laboratories. On the other hand, some statutory bodies are effectively only a part of a department operating under more than usually formal structures created by legislation, as for example, the Repatriation Commission, the Commissioner for Employees Compensation, and Official Receivers in Bankruptcy, and they do not fully conform to the common idea of 'separateness'.

4.4.4 The definition of statutory bodies offered in paragraph 4.4.3 makes explicit the direct link between these bodies and the Parliament: the existence of such a body is the product of a deliberate decision not to use the departmental form, and to differentiate its functions from those of departments even when it operates within rather than separate from the department. Thus, the body usually possesses some degree of independence from the minister and department.

4.4.5 Statutory bodies have other features which reflect their separate existence, but are not essential or universal characteristics. Many of them have a *governing body*, and one of the reasons for creating a statutory authority may be precisely to provide for governance by more than one person or to introduce at the corporate management level persons and skills from outside the departmental service. *Staffing* arrangements vary greatly between authorities, and in some cases are not provided for in the legislation. *Financial administration* is often separate from that of departmental financing and accounting, and on some occasions statutory bodies obtain a single line rather than a normally itemised annual appropriation. Finally, rather more than half of the 170 bodies listed by Dr Wettenhall are either *incorporated* (89) or registered as companies (6). Incorporation endows the body with a legal personality, separate *inter alia* from that of the crown in right of the Commonwealth; and an unincorporated body is necessarily less independent. However, incorporation does not of itself remove a body from what is frequently referred to as the 'shield of the crown'. In deciding which of these features should be present in a particular statutory body, the important consideration is functional effectiveness.

4.4.6 Statutory bodies range more widely in size than departments. The new Australian Telecommunications Commission employs more than 90 000 people, while the statutory Custodian of Expropriated Property involves only the part time services of two or three Treasury officers. In total, the statutory bodies other than the Postal and Telecommunications Commissions employ over 100 000 people,[1] and these two corporations employ a further 126 000. Thus the total numbers involved in statutory bodies are about double those included in the 'career' public service. With so much of the total resources of the Commonwealth involved in their operations, it is vital to consider critically whether traditional modes of securing accountability and effective discharge of functions are satisfactory and whether the lines of communication and control are adequate between these bodies and ministers and their departments.

4.4.7 In accordance with the definition given above, we identified more than 200 bodies and made a classification of them in functional terms. Dr R. L. Wettenhall, the consultant to the Commission on statutory bodies, prepared a report based on the Commission's survey. He pointed out some of the difficulties in classifying the bodies functionally, and himself developed a classification based upon the relations of the bodies' staffing arrangements with government departments. Substantial extracts from Dr Wettenhall's report are reproduced in Appendix 1.K. The Appendix also contains another classification prepared by staff of the Commission, based on staffing relationships to the Public Service Board.

4.4.8 In further recognition of the difficulty of what amounts to a first attempt at a systematic approach to the study of Commonwealth statutory bodies, we invited representatives of each of those to whom our questionnaire was sent to attend a day-long meeting in Canberra to discuss the questionnaire and any issues the representatives wished to raise about the operation of statutory bodies. This was the first occasion on which such a meeting had been called, and it created some interest among the bodies themselves, many of which had been unaware of the range and number of Commonwealth statutory undertakings. We *recommend* R31 that the Public Service Board with its proposed wider role in relation to Commonwealth employment as a whole (see Chapters 9.4 and 11.6) convene meetings of groups of statutory bodies from time to time, selected on a basis that would permit useful discussion of mutual problems. For some meetings, function might be the relevant basis for selection, as in the cases of a commodity board or regulatory body, but in others it could be methods of finance, staffing provisions, type of governing board, relationships to ministers, and so on. A more *ad hoc* selection may be necessary in the case of the 'executive' group[2], which covers a very wide range of bodies with interests which might not, on many issues, have much in common. In addition to the responses to the questionnaire, and the discussions just mentioned, we received about 90 submissions relating to statutory bodies, of which 20 were associated with departmental submissions or statutory body responses to questionnaires, and a further 15 came from unions or union groups.

4.4.9 The work we have undertaken represents only the first steps in a task of some importance. This is the identification, in consultation with statutory bodies,

1. Figure based on information contained in PSB Background Information Volume 8.
2. Approximately one quarter of the functionally classified list.

of areas where the provisions under which some of them are working are less effective than others. We consider the Public Service Board should follow up these matters and the suggestions for further studies made by Dr Wettenhall in his report. Notwithstanding the difficulties in finding an ordered basis for future work, useful comment can be made on some of the issues affecting statutory authorities in general, and particular types of statutory body.

Creation of Statutory Bodies

4.4.10 It would be impossible to lay down in precise terms the circumstances justifying the establishment of a statutory body. Each tends to be a special case. The reasons for the creation of a new body often have a significant political element, and accordingly will vary from time to time and from government to government. It emerges from the evidence we have received that the two broad considerations leading to the creation of a statutory body are the need (of a kind which may vary) for independence and the desire (for reasons which again may vary) to provide the status which goes with establishment by legislation. The independence may be required:

(a) to avoid political control or full political accountability, as when the function is quasi-judicial, regulatory, involves grants or subsidies, or entails higher educational opinion-forming or research activities; or

(b) to avoid departmental procedures or control, for example when performance of commercial activities is required, particularly in competition with private enterprise, or when a separate channel of advice or separate evaluation of policies is desired; or

(c) to relieve ministers of responsibility for day-to-day administration of detailed and self-contained tasks.

On occasions, legislation may be necessary to give the executive government the authority it lacks to carry out a function, or to provide suitable protections to those carrying it out; but for a statutory body to be created, other factors also would need to be present. They may be of the kind listed above, or others such as

(a) a desire for prestige for research-oriented institutions;

(b) the need for the body to be under joint government control;

(c) the discharge of a specialised function, particularly where private funds are involved, for example, commodity boards and trustee functions;

(d) a need to bring an 'outside' element into management of the activity in ways that are not practicable in a department: as for instance elements of special expertise or representation of interests or geographical representation.

Not all these factors will be present in any particular case, and they will not always have equal weight. Sometimes, there will be factors on the side of ministerial or departmental control that out-weigh the arguments for having an independent statutory body. These factors cannot be determined in advance: they must be weighed up when each case arises.

4.4.11 Some degree of independence from ministerial and departmental control should in our view always be intended if there is to be a statutory body. A classic argument states that the more independent the body is from the responsible minister, the less accountable it is to him and ultimately to Parliament; but the independence of many existing authorities is more illusory

than real, and this is to be seen as one reason for having rather fewer authorities in the future than we have at present.

4.4.12 When the possibility of creating a statutory body is under consideration, the onus of demonstrating that such an agency is required should be on those proposing such a body. We *recommend* that the primary consideration should be whether the function in question should be carried out by an organisation which is wholly or in some desired way separate from ministerial and departmental administration, as indicated in paragraph 4.4.10. If there is not such a need, the primary justification for creating a statutory body may well not have been established, and consideration should be given to alternatives, including in particular the possibility that the minister or a permanent departmental official be vested with statutory powers to carry out the function. Additional considerations, of an administrative nature, include: R32

(a) what machinery is required to carry out the task, and why can the department not do it effectively?
(b) does the purpose itself justify the additional staff, financial and other resources almost certainly required if a separate (particularly non-departmental) body is to be established?
(c) what precise powers, for instance over finance and staffing, and what responsibilities to the minister, the department and the Parliament, are required if the body is to achieve its purposes effectively, economically and responsively?
(d) to what extent would the creation of a new body overlap with the activities of other departments or statutory bodies? Where there is overlap the implications should be made explicit and steps taken to avoid duplication, as a condition of creating the new body;
(e) are the functions proposed coherent and capable of being exercised separately, and apart from the functions of a department?
(f) does the inflexibility inevitably associated over time with the functions of a statutory body mean that the more adaptable departmental form is more appropriate?
(g) in what ways will the new body be accountable to the minister, the department, the Parliament and the public?

In relation to (d) and (e), the evidence available suggests that unless a statutory body has clearly defined and functionally coherent tasks which do not impinge on the operations of a department or another statutory body, it is likely to run into difficulties, either because of internal contradictions in function or because of clashes with other bodies. Once the body has been brought into existence, such difficulties can become acute: it is committed to the function by statute, and the normal processes for resolving conflict which are available to departments cannot readily be brought into operation. We conclude that new statutory bodies should be created only when the answers to these questions, and the decisions on the issues listed in the previous paragraph, show a clear advantage in using one of the forms of statutory body.

4.4.13 While concern was expressed to the Commission about tendencies, which some saw as 'ad hocery', towards a prolific creation of statutory authorities, few who made submissions or gave evidence offered constructive suggestions as to how the number might be reduced, or recommended the abolition of specific

bodies. More often we received proposals which would involve the creation of additional statutory agencies or strengthening the authority and autonomy of existing agencies. Many of the proposals for establishing new agencies emanated from units within departments—especially research bureaux—who sought the status of a statutory authority mainly as a means of breaking free of the strait jacket imposed by public service and departmental rules and regulations, and obtaining greater managerial autonomy and freedom in the organisation of their work. Our general conclusion is that while many of the complaints made appear to be justified, the remedy proposed should not be adopted unless it is clear that the difficulties cannot be overcome by changes in departmental administrative arrangements—by, for example, greater delegations of authority within the department and possibly the use of 'Chief Officer' appointments.[1]

4.4.14 It is possible that one consideration which has sometimes influenced the choice of statutory body rather than departmental form to discharge a particular task has been a desire to forestall criticism about the growth of the main federal bureaucracy, the Australian Public Service. In fact, the creation of statutory authorities staffed outside the Public Service Act may contribute to the growth of the service because of the work they generate for departments—in the provision of information, analysis of reports, or implementation of policies and programs developed by statutory agencies. This is one of the reasons for recommending caution in the creation of statutory bodies. The preference for the statutory form could also have been influenced in some measure by a belief that a government's innovations are made more visible, and perhaps more difficult to undo, if its executors are provided with a statutory base which until removed by parlimentary enactment virtually commits the political executive to continuation of support, financial and otherwise.

Relations with Ministers and Departments

4.4.15 **Ministerial Direction:** The fact that a statutory body has been brought into being frequently signifies that a deliberate decision has been taken to place the performance of a particular function outside the political sphere of influence or to relieve a minister and his department of immediate responsibility for it. But the fact that certain powers are reserved to the minister means that it is the Parliament's intention that the abdication of ministerial authority should not be complete and sometimes also that Parliament desires that the activities of the body should be subordinated to broad policies enunciated from time to time by the government. Which powers are given to ministers is obviously controlled very much by the nature of the powers and functions given to the statutory body, for example, by whether it is a self-financed commercial corporation, a regulatory agency, or an advisory body.

4.4.16 It has not been easy to devise statutory formulae which adequately express the desired balance of ministerial and agency powers and responsibilities, and there have, no doubt, been occasions when this difficulty has been compounded by the absence of any clear conception of what the minister's role should be. The more general the expression of ministerial powers, the more scope there is for disagreement between the minister and department on the one hand and the agency's management on the other, disagreement which in some instances can be due to a certain failure on the part of members of the board of

1. See paragraphs 4.3.14–16 above.

management to recognise significant differences between the circumstances of public corporations and public companies.

4.4.17 The existing statutes for these bodies exemplify a wide range of formulae for conferring powers of direction on ministers. They include cases of ministerial power to give directions on policy and practices but not direction as to particular cases (for example, the Industrial Research and Development Grants Act); cases where it is required that the minister be kept informed of the body's activities; others where there is provision for ultimate direction in the event of disagreement between the body and the government (the Reserve Bank Act and National Capital Development Commission Act), and cases of a minister having powers to authorise specific activities (the Housing Loans Insurance Act). Where a minister's power of direction is limited to specific matters, the power to give directions generally or on matters of policy will normally be excluded by implication. Given such a wide range of possibilities, careful attention is needed to identify the matters on which the actions and decisions of the body should be subject to ministerial oversight. In some instances the minister may need to have power to intervene in particular matters, as in the carriage of cargoes by a shipping line to a particular port. In others it may be just this kind of specific intervention that is to be avoided, for example in the normal conduct of business by the Australian Industry Development Corporation. Again, the provisions governing the powers of statutory bodies or of ministerial direction may need reconsideration from time to time. The Commonwealth Bank Officers' Association drew our attention to limitations on the ability of the Commonwealth Banking Corporation to compete effectively in accordance with its charter—limitations which resulted from an unwillingness at ministerial level to agree that it should conduct certain activities;[1] and the Australian Broadcasting Control Board suggested that it may have been inappropriate to give the relevant minister a power of direction over the frequency and situation of a broadcasting station, as it involves highly technical issues.[2] Matters of this kind could desirably be the subject of consideration at the conferences we suggest between a minister, the department and the statutory body for which he is responsible (see paragraph 4.4.24).

4.4.18 It seems, however, that the existing provisions for ministerial powers of direction have in general worked reasonably well. We note that a decision of the High Court[3] draws attention to the importance of ensuring that when it is intended that a statutory body should be guided by government policy in the exercise of its statutory powers and discretions, that intention should be made clear in the enabling legislation. Otherwise doubts may arise not only about whether it is proper for the body to take government policy into account, but also about the weight that may be attached to it.

4.4.19 Where a ministerial power of direction is given, there is sometimes a statutory requirement that directions be in writing, and sometimes also a requirement that they be publicly notified. In some instances the requirement is that the minister table his direction in Parliament within a specified number of sitting days (usually 15) of his having given it (examples being the Broadcasting

1. Submission No. 475 and Transcript of Hearings, p. 1901.
2. Submission No. 411 and Transcript of Hearings, p. 1799.
3. R. v. Anderson; ex parte IPEC—Air Pty. Ltd. (1965)/113/CLR/177.

and Television Act, Australian Shipping Commission Act, Reserve Bank Act, Postal Services Act). In some others the requirement is merely that the directions given be set out in the authority's annual report, which the Minister is obliged to table (the Australian Housing Corporation Act, Australian Apple and Pear Corporation Act, Hospitals and Health Services Commission Act). In a few instances, the minister is obliged merely to publish his directions in the Gazette (as in the Industries Research and Developments Grant Act, the Trade Practices Act).

4.4.20 It is difficult to discern any consistent and rational principle in these various arrangements and their adoption in some cases but not others. We
R33 *recommend* that, for the purpose of clear and public identification of responsibility and accountability, the exercise by a minister of any power of direction to a statutory body should:

(a) be required to be in writing and recorded in the annual report of the authority if the body is under a duty to publish a report;

(b) be tabled in the Parliament within a specified time after issue.

4.4.21 **Statutory guidelines:** The discretion of a statutory body to determine the policies it will pursue in exercising its powers and functions may be limited not only by the powers of direction given to ministers, but also by the statutory prescription of the body's objects or purposes, of considerations it should take into account, or of heads of government policy to which it must have regard. Prescriptions of this kind may be additional to or in lieu of the reservation of ministerial powers of direction. They seem to have been adopted mainly in relation to authorities whose activities have a significant impact on the working of the economy and its management; examples are sub-section 39(1) of the Conciliation and Arbitration Act (prescribing a regard for the state of the national economy), section 10 of the Reserve Bank Act (stipulating the monetary and banking policy be directed 'to the greatest advantage of the people of Australia', with currency stability, full employment and prosperity being mentioned as objectives), and section 22 of the Industries Assistance Commission Act (enjoining that body to improve and promote the well being of the people of Australia, with many factors being mentioned).

4.4.22 The practice of incorporating policy guidelines in Acts constituting statutory bodies was commended to us by the then chairman of the Industries Assistance Commission, Mr G. A. Rattigan, as one which should be used more frequently. The Commission recognises that the practice can be of value when the powers and functions conferred on a statutory body allow considerable latitude of choice as to the purposes or objects, and also when it is clear that a body's actions or decisions will have a significant impact on, say, the economy. Further, a clear instruction by statute that an authority must have regard to government policy on particular matters may sometimes be preferable to reserving an open-ended ministerial power of direction, in that it obliges the authority to give weight to government policy without obliging it to defer to political dictation. In Britain such 'statement of purpose' clauses have recently been the subject of report by a committee appointed by the Lord President of the Council. While that committee did not address itself specifically to the question at issue here, we are in broad
R34 agreement with its views.[1] We *recommend* that purpose clauses be used when the

1. See 'The Preparation of Legislation', Cmnd 6053 (1975) at paragraphs 11.6–11.8.

factors mentioned earlier in this paragraph are present, but that they be used selectively, and when they are the most convenient method of clarifying the scope and effect of legislation.

4.4.23 **Relations with departments:** The relationship between a department of state and statutory bodies within the minister's portfolio obviously depends largely on the minister's powers with respect to those bodies. Other relevant factors are whether the body is funded separately from the department, whether it depends for its funds on annual parliamentary appropriations, whether it depends on the department for provision of staff, and how its activities parallel, impinge upon or are affected by those of the department. Submissions to the Commission suggest that problems have sometimes arisen concerning the department's role in advising the minister on matters falling within the responsibilities of statutory bodies, and also concerning the body's right of direct access to the minister. There appeared to be fairly general agreement that the minister was entitled to look to his department for advice on the exercise of his reserve powers in relation to bodies in his portfolio, and that accordingly there needed to be a capacity in the department to give informed advice. A special case has arisen with some new advisory bodies whose brief covers ground which a department can still regard as its responsibility. While the status of the body does not preclude the minister from seeking advice from other sources, there is a danger that unless clear guidance is given as to the department's involvement, and unless the body and the department establish a close working relationship, the department will continue to maintain and develop its advisory capacity in competition with the advisory body. In such cases, there is a special need for the minister to foster consultation and collaboration between the two agencies, and to give guidance on the role of each. If an acceptable delineation of functions cannot be achieved, it may be found necessary to specify the functions of the statutory body more precisely in its legislation, or to abolish it. R35

4.4.24 Difficulties which non-advisory bodies have experienced in gaining access to ministers (the Bureau of Meteorology being a case in point) normally arise when the functions of the department and the statutory body are not clearly distinct. It is important that ministers establish lines of communication for a new body, or continue the lines used by their predecessors to existing bodies, and we *suggest* there is a case for regular conferences between departmental heads and heads of statutory bodies, which ministers might on occasions attend. R36

4.4.25 A further means of ensuring the co-ordination of the work of department and statutory body is by appointing departmental officers to the governing boards of statutory bodies. In evidence given to us, there was no unanimity about the capacity in which such officers are appointed. Some felt it was to represent the views of their departments, some understood they had been appointed in a personal capacity. There are occasions when appointment of a departmental officer provides a useful link between ministers and departments on the one hand and statutory bodies on the other, and we see no *a priori* objection to such appointments where the statutory body has been established not so much to place the performance of a function outside the political sphere of influence as to provide for administration of a fairly specific scheme of legislation (for example the Health Insurance Commission) or where the body is to include non-officials (such as the Repatriation Commission). However, conflicts of loyalties can occur where a departmental officer is privy to decisions taken by a statutory body which

the minister may veto. Likewise, knowledge of the influence of the departmental member on the minister may discourage candour among other members of a statutory body in deliberative processes. Although these risks are present, no evidence has been placed before the Commission which suggests that serious difficulties have in fact arisen from the presence of departmental officers on the boards of statutory authorities which are subject to ministerial powers of direction.

Relations with the Parliament

4.4.26 When Parliament entrusts statutory powers and functions to a minister, the normal intention is that he should be accountable to the Parliament for the exercise of the powers, and in his administration should be amenable to influence through parliamentary processes. The creation by Act of Parliament of non-ministerial agencies represents a departure from this mode of safeguarding against the abuse of public power. Taken to extremes, it could represent a substantial modification of the constitutional system through the addition of what would amount to a fourth branch of government, separate from the executive branch and largely exempt from the operation of the constitutional conventions which harness the executive to the legislature.

4.4.27 Things have not been taken to quite this length. Many Acts creating statutory bodies reserve some powers to ministers or give ministers powers of direction, and in relation to those powers, the conventions of ministerial responsibility apply. Further, the Parliament, in granting powers to non-ministerial agencies has in most cases imposed an implied duty to account to itself for exercise of those powers by requiring the agencies to report annually through the minister, and, if they keep separate accounts, to submit annual financial statements. The imposition of a statutory duty to report is indicative of Parliament's desire to be kept informed, but of itself is no guide to Parliament's intentions as to how far the agency should be subject to the kind of political control and influence that can be brought to bear on ministers.

4.4.28 Generalisations about the supervisory and censorial role of Parliament in relation to statutory agencies are hazardous. It does not follow that, merely because Parliament has chosen persons or bodies other than ministers as the bearers of statutory authority, it has resolved that the exercise of that authority should be removed entirely from the political domain. Likewise, it does not follow that because the Houses of Parliament have plenary powers of investigation and wide latitude to debate (Constitution, section 49), it is proper for them to intrude into every aspect of the administration of statutory powers. Clearly there are some cases where parliamentary intention and practice, reinforced by judicial pronouncements, have circumscribed the modes by which Parliament may control the execution of statutory authority, as in the case of quasi-judicial and arbitral bodies. Unless Parliament's intentions are manifest, the fact that it has conferred authority directly on a non-ministerial agency may encourage the belief that the normal rules of accountability through the political process, including through ministerial responsibility, do not apply. If it is because of convention rather than strict law that the Parliament is asked to approve legislation setting up and providing the basic terms and conditions of operation, it may be possible that companies legislation could in some circumstances, be used as an alternative vehicle. However, we draw attention to the fact that where

extensive use is to be made of companies legislation, not only the initiating and censorial, but possibly also the supervisory role of Parliament would be seriously eroded, unless an alternative means of accountability were developed.

4.4.29 The notion that a body's independence of ministers means independence of Parliament appears to have gained some currency from the parliamentary practice of disallowing questions to ministers on subjects falling within the domain of statutory authorities over which the minister in question has no power of control. This practice has, however, been followed much less rigorously in the Australian Parliament than in the United Kingdom. In Australia ministers commonly furnish answers to questions about statutory agencies within their portfolios, after obtaining the information sought from the agency, but in so doing they tend to act as 'go-betweens', and do not, by furnishing answers, accept responsibility for action or inaction which their replies disclose. There have been occasions when ministers have queried the right of the Houses to insist upon the production of certain detailed information, for instance about some of the operations of commercial public corporations. The notion of independence is also modified by the practice of parliamentary committees, such as the Public Accounts Committee and the Senate Estimates Committees, in taking evidence from representatives of various statutory bodies.

4.4.30 It is ultimately for Parliament to decide to what extent statutory agencies should be liable to account to it and should be subject to parliamentary control and influence. The resolution of Parliament's supervisory role is likely to be sometimes fraught with controversy, because it touches on issues of political philosophy and ideology regarding the province of government and of party politics. However, the review initiated by the last Commonwealth Parliament of its committee system has now proposed the establishment of a Standing Committee on Public Administration with jurisdiction over all government funded instrumentalities or organisations.[1] The report of the Joint Committee on the Parliamentary Committee System stated:

> 'Statutory corporations and semi-governmental authorities must fall within the jurisdictions of the subject matter committees of both Houses. This is an area which the Parliament has not properly overseen in the past. It is an area which deserves the immediate attention of Parliament.'

It is not clear how far the Joint Committee considered the possibility of proposing the establishment of a standing committee, similar to the United Kingdom's Select Committee on Nationalised Industries, to make periodic inquiry into the activities of statutory corporations that are distinctively commercial and also into those government owned companies which are incorporated under State or Commonwealth Territories companies legislation. We believe a committee with that limited focus has considerably more to commend it than one empowered to scrutinise the operations of statutory corporations at large. Its main functions would be to investigate whether the activities of the corporations are in accordance with their statutory functions and in the public interest, and to assess the economy and efficiency of their management.

4.4.31 In recent years the Senate has expressed the view that the Parliament is

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1. A New Parliamentary Committee System: Report of the Joint Committee on the Parliamentary Committee System, 26 May 1976, para. 164–166. See Chapter 5.1 for a further discussion of this report.

entitled to investigate the expenditure of public funds by statutory bodies. While we do not dissent from this we express concern that the Houses of Parliament (and their committees) could, in the quest for details and explanations of expenditures, derogate from the independence and freedom that Parliament has deliberately accorded some authorities in the carrying out of their statutory functions with funds voted by the Parliament. If the bodies are not to have this degree of autonomy then, as we have observed elsewhere, it would be preferable not to create a statutory form which has that appearance: the use of departmental machinery would be preferable. The line is a fine one, and the drawing of it needs to be left to the judgment of members of the Parliament whose task is to scrutinise and criticise administration, but not to conduct it.

4.4.32 One of the most important regular sources of information to Parliament about the activities of statutory bodies is their annual reports. No fewer than 16 out of the 106 bodies from which we have data in response to our survey are under no obligation to submit annual reports. Most of these are either advisory or regulatory in character, but this does not in our view exonerate them from the
R37 need to report, and we *recommend* that where a decision is taken to create a separate statutory body, it should be placed under obligation to report through the minister to the Parliament. Further, we find that only thirty out of the bodies surveyed use or contemplate the possibility of using their annual report directly or indirectly as an explanatory or informatory medium to answer public complaints or criticism, or to make comment on issues of concern to them. Given the
R38 importance of informing Parliament about such issues, we *recommend* that the governing board of each statutory body, or its chief officer, include in its report to the Parliament an account of any issues of concern or an account of the nature of criticism it has received during the year of report.

4.4.33 Our attention has also been drawn to two particular matters concerning the review of the financial administration of statutory bodies. The usual practice has been for the Auditor-General to be appointed by, or under the provisions of, the enabling act but some of the earlier legislation in particular is defective in that it does not spell out in sufficient detail the powers, functions and duties of the Auditor-General.[1] Further than that, it may not authorise the kind of efficiency audit we have proposed elsewhere in this report that the Auditor-General should
R39 conduct (Chapter 3.6 and 11.4). We *recommend* that the Audit Act be amended to allow the efficiency audit functions of the Auditor-General to apply to statutory bodies generally and on a basis that would permit new legislation establishing statutory bodies simply to invoke the relevant provisions of the Audit Act. This is a procedure followed in a number of countries, for example Canada and New Zealand, which could be followed here with advantage. Additionally, our attention has been drawn to a deficiency in the machinery available for bringing before the Public Accounts Committee matters relating to the financial affairs of statutory bodies, government owned companies and other government controlled instrumentalities. Under section 8 of the Public Accounts Committee Act 1951–1966 the duties of the Committee are to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Parliament by the Auditor-General. As the accounts of these

1. General Background Information by Auditor-General, pages 8–9; supplied with Submission 192 to the Commission.

bodies do not in many cases form part of the accounts of the Commonwealth, matters relating to their financial administration can only come before the Committee if the Auditor-General exercises his discretion under section 51A of the Audit Act to include material in his reports. We believe it should not be left to the discretion of the Auditor-General to determine whether reports upon duties carried out by him under Acts other than the Audit Act should be examined by the Joint Committee of Public Accounts. Accordingly, we *recommend* appropriate amendment either of the Audit Act or of the Public Accounts Committee Act. R40

Membership of Governing Bodies

4.4.34 Appointments to statutory bodies are one of the most important of the general controls exercised by the government over such bodies, and the procedures for selection deserve careful attention. The importance of this form of governmental control justifies the present practice of vesting the power in the Governor-General or a minister, with Cabinet in the more important cases having a say. Leaving aside cases where it is expressly provided that certain members be appointed from among persons nominated in some representative capacity, the Commission believes that the Commonwealth government should, where possible, develop a procedure whereby it has short lists of possible appointees, drawn up after thorough inquiry. (A parallel recommendation is made in Chapter 11.6 about 'higher appointments' in the Public Service). A great many statutory offices carry responsibilities and salary entitlements as great as those for senior appointments in the Australian Public Service, and unless appointments to those offices are seen to be merited and to have proceeded from a determination to select primarily on the basis of relative merit from an open field, statutory offices may come to be regarded as little more than instruments of political patronage.

4.4.35 Figures in a list supplied to the Commission, showing the number of full-time members of statutory authorities at June 1975 as 175 and part-time members as in the vicinity of 790, are both probably too low. Thus the number involved, even allowing for the fact that some members are also officers of departments, is very considerable and still does not take into account the membership of non-statutory bodies, *ad hoc* committees and commissions of inquiry.

4.4.36 Typically, the power to appoint members and also to terminate their appointments is vested in the Governor-General, or more rarely in ministers. Qualifications for appointment are rarely prescribed by legislation, and regulation of the processes of selection is exceptional. Representative membership tends to be a feature of primary produce marketing bodies, and staff representation has recently been provided for some bodies such as the Postal Commission and the Australian Broadcasting Commission. In most cases, appointments are for fixed terms of years, prescribed by statute. Where the power of appointment is vested in the Governor-General, he is commonly authorised to terminate a member's appointment for misbehaviour or physical or mental incapacity, and in some cases for inefficiency.

4.4.37 While we do not suggest uniform selection procedures, we *recommend* that where it is proposed to appoint to fill vacancies in full-time positions otherwise than by reappointment of a present incumbent at the end of his term, the normal course should be to invite applications and nominations by public advertisements. Where special qualifications are required, these should be made public so R41

that the criteria of selection are understood. If there are occasions where public advertisement is not appropriate, perhaps because of conventions operating in the profession from which the appointee is expected to come, there may well be other methods of ensuring that the likely field of appointees is surveyed, for example by invitation of applications or nominations through professional bodies and particular institutions. Where there is a special need to inspire confidence in the choice made, an *ad hoc* advisory panel could be constituted including qualified persons from outside the department and perhaps from outside Commonwealth government employment.

4.4.38 Careful attention needs to be given to the role part-time members are expected to play. Where demands are likely to be as great as those made on part-time employees, alternative means of securing the contribution of outsiders should be investigated. The alternative might be the appointments of consultants or of additional staff so that less demands of time are placed on the members of the advisory council or committee.

4.4.39 The legislation establishing the Postal and Telecommunications Commissions broke new ground by making provision for appointment to each Commission of a staff representative, after consultation with the relevant staff associations. In 1975 a representative elected by employees was appointed to the Australian Broadcasting Commission, but this was done without amendment of
R42 the Broadcasting and Television Act. We *recommend* that experience with these appointments be evaluated. Subject to the evaluation and to an understanding that staff representatives are not appointed to act as delegates or agents who are bound to vote on instruction by those whom they represent, we consider requests for appointment of staff representatives merit sympathetic consideration, particularly when the organisation is the employing authority.[1] Staff representation may be appropriate for those statutory authorities which are commercial or semi-commercial undertakings or public utilities like the Australian Broadcasting Commission. The issue is more complex in the case of bodies whose functions are regulatory or advisory or the determination of individual rights, liabilities and entitlements. In such cases staff representation would be undesirable in the determination of strictly policy issues, as distinct from management matters—to the extent that such separation is possible. This restriction should not be applicable to staff representation on promotions appeal committees and disciplinary tribunals. We deal further with this question in Chapter 9.6. 86–87.

4.4.40 The procedures for terminating appointments of members of the boards of statutory bodies are, in our view, unsatisfactory. There is usually no requirement that there be a hearing before dismissal on grounds of misbehaviour, as is provided in the Public Service Act for first and second division officers, although there may be an implied duty to accord natural justice. We consider that, at least in the case of full-time members of boards, the procedure should in substance be modelled on that available to senior officers under the Public Service
R43 Act. Accordingly, we *recommend* that no statutory officer or member of a statutory board be removable from office for misbehaviour except after inquiry and report by an independent board or tribunal. Further, we doubt the efficiency of the

1. For a discussion of legal issues involved in these forms of staff representation, see Street, J., in *Bennetts* v. *The Board of Fire Commissioners of N.S.W.* (1967), 87 Weekly notes.

procedures for removal which apply in the case of the Insurance Commissioner and members of the Industries Assistance Commission: these involve the possibility of reinstatement by resolution of either House of the Parliament. The procedures are not well designed to ensure a fair hearing and impartiality in what is essentially an adjudicatory process, and we *recommend* that consideration be given to providing procedures for holders of these offices similar to those we have recommended for the generality of statutory office holders. R44

4.4.41 Our attention has been drawn to the situation of statutory office holders whose offices are abolished by statute before the expiry of the term of their appointment. Their situation varies according to whether at the time their offices were abolished they were persons to whom the Officers' Rights Declaration Act applied. Under the Act a public servant is, broadly speaking, entitled to reinstatement in the Public Service. But a person who does not come within the Officers' Rights Declaration Act has no legal right to be placed in employment elsewhere in the service of the government, and no legally enforceable right to be compensated for premature loss of office. While the authority of the Parliament to repeal the legislation creating statutory authorities is unquestioned, the position of the senior officers involved is clearly unsatisfactory. It could act as a deterrent to prospective appointees.

4.4.42 We doubt whether it would be necessary or even wise to accord such persons a legal right to be placed elsewhere in Commonwealth government service. Nor would we endorse without qualification arrangements suggested to us which would involve payment of a lump sum equivalent to the annual salary payable for the balance of the term: individual circumstances vary, as does the extent to which the officer is able to mitigate the loss. Accordingly, we *recommend* that general legislation be drawn up which establishes a right to compensation, with the amount being determined from case to case according to declared principles, by an independent tribunal—a right similar to that which a private employee has to obtain damages for wrongful dismissal. We believe, however, that the compensation payable in this way should be rather more generous than would be available if the common law remedies were strictly applied. The Remuneration Tribunal seems to us to be a body which could appropriately be charged with responsibility for assessing the compensation payable, and we *suggest* it be given that responsibility. R45 R46

4.5 HEADS OF DEPARTMENTS

4.5.1 From the outset of our inquiries the position of departmental heads attracted interest and discussion. Numerous submissions had a bearing on the functions or powers of departmental heads, the Public Service Board provided us with a memorandum on the subject, and in July 1975 the then Prime Minister asked that we consider how power over and responsibility for departments should be divided between ministers and departmental heads. The Public Service Act recognises the special position of departmental or permanent heads by providing specific means for their appointment and dismissal and by including them automatically in the first division of the Service. Departmental heads constitute in effect the main link between the public service as a whole and the government, as represented by ministers. They are often key figures in relations between the government (including departments) and statutory bodies. They are of great importance to the government both in terms of the advice it receives from the

public service and in terms of the successful implementation of its policies, and therefore warrant special attention from the Commission. Much has already been said in this chapter concerning departmental heads in their relations with ministers and in the enhancement of initiative and accountability in departments. It remains here to consider other questions bearing on their functions and powers, their appointment and their tenure of office.

Responsibilities and Powers

4.5.2 The Public Service Board, in its memorandum, said that it saw merit in a clearer definition of the responsibilities of departmental heads. Aspects which it thought deserving of consideration were:

(a) specific mention of the departmental head's responsibilities for economical and efficient management of his department;

(b) a recognised procedure for reporting any differences between a minister and the head of department concerning the legality of a ministerial direction on a financial matter;

(c) amplification of the departmental head's roles in policy advising and policy implementation and administration;

(d) an established practice to cover his advisory functions in relation to other associated agencies within the minister's purview;

(e) clarification of his role in matters outside his minister's portfolio where the minister is 'minister assisting' another minister;

(f) explicit relationships with his minister where the departmental head is exercising powers directly conferred on him by statute.

The Board's first suggestion, for an explicit statement of the departmental head's obligation to promote efficiency, becomes the more necessary with our proposals for increased delegated authority to departments. It would be met by an amendment of section 25(2) of the Public Service Act on lines similar to the corresponding section of the New Zealand legislation, such as we have recommended in paragraph 4.2.8. The Board's remaining suggestions have been taken into consideration in this and other sections of our Report.

4.5.3 Apart from these matters, material before the Commission indicates a need to clarify the division of authority and responsibility between the Public Service Board and departmental heads, which cannot be ascertained simply from a reading of the provisions of the Act. The principal powers which the Act reposes in departmental heads, and which indicate the scope of their managerial authority in matters of concern to the Board fall into the following broad categories:

(a) departmental establishments and organisation;

(b) promotion and transfer of staff;

(c) discipline.[1]

4.5.4 In relation to *establishments and organisation* the new arrangements the Commission proposes in Chapter 9.1 mean that departmental heads would in future have considerably greater discretion to structure and vary the organisation of their departments. In place of the processes associated with the creation of

1. The departmental head's powers in respect of discipline derive from the fact that he exercises chief officer powers.

offices under section 29 of the Public Service Act, we suggest a new process by which departmental heads are given authority each year to employ certain numbers and categories of staff. Within that overall limit, they will be free to organise the work of the department as they consider most efficient, subject to inspection by officers of the Public Service Board and also subject to efficiency audit by the Auditor-General (see Chapter 11.4). It should be noted that the departmental head does not and will not bear final responsibility for determining what the tasks of his department are to be, or what priority should be accorded between them, though in his capacity as adviser to the minister he may well have been influential in shaping the objectives set for the department. He will continue, however, to have a major responsibility for ensuring that staffing proposals are developed to ensure the more economical, efficient or convenient working of the department. In relation to *promotion*, the provision of a statutory right of appeal in effect obliges departmental heads to exercise their power to select for promotion according to the same criteria as promotions appeal committees. We do not wish to change this, but in Chapter 8.4 we recommend that in future the sole criterion for promotion be efficiency. In relation to discipline, amendments of the Public Service Act proposed in 1975 have the effect of increasing the role of departments in the disciplinary process, and we endorse those changes. In Chapter 8.5 we discuss the question of appeals against penalties imposed for disciplinary matters.

4.5.5 It is necessary to clarify the relationship of the head of a department to statutory bodies which are in the minister's portfolio. The fact of statutory creation expresses a legislative intent to remove matters within the responsibility of the statutory body from the concern of the department, yet some departments tend to maintain a capacity to monitor the work of the statutory body by substantial parallel staffing in the department. Such duplication is *prima facie* evidence of waste. The capacity of the departmental head to advise his minister on the relationship of the work of the statutory agency to his wider responsibilities should not depend upon such staffing. We would expect the Public Service Board and the Auditor-General to pay particular attention to the waste involved in such 'parallel bureaucracies'.

4.5.6 It is important that ministers should recognise that primary responsibility for the efficient management of the department in relation to staff performance should lie with the departmental head, and that staff should not be confused by potentially conflicting instructions from minister and departmental head. This will not prevent a minister indicating to his departmental head that he wishes, for example, to receive advice from individual officers or have them assigned to certain tasks, but the arrangement of these matters should clearly rest with the departmental head. At present departmental heads are not clearly responsible for financial administration within their departments. Their legal authority in relation to Accounting Officers within their departments is obscure and their powers of intervention unclear. We *recommend* that departmental heads be appointed Accounting Officers. This would not only recognise their primary responsibility, but would ensure that matters relating to financial management which arise from audit examinations are brought to the notice of those best able to take corrective action. The appointment of a departmental head as Accounting Officer would raise the formal possibility of conflict between his responsibilities in this role with directions he has received from his minister. We believe such conflict R47

would be rare, but the possibility requires that a department head have a statutory right to record with the Auditor-General and the Treasury his dissent from a ministerial decision which he believes conflicts with the law governing
R48 financial administration. We *recommend* accordingly, and suggest that if the need arises the head of the department should bring the matter to the notice of the minister in writing, stating his objections, so ensuring that the minister responds in writing, with whatever direction he decides to give.

4.5.7 The Public Service Board invited our attention to the problems that have arisen where a departmental head is exercising powers directly conferred on him by statute. These difficulties were underlined by the decision of the High Court of Australia[1] concerning the right of the relevant minister to control the exercise of the discretion of the Director-General of Civil Aviation to permit the import of aircraft. The differences of judicial opinion which emerged in that case suggest that where it is intended that the exercise of a statutory power or discretion should be subject to ministerial control and direction, it would be preferable to vest the power in the minister with authority to delegate, or if the power is reposed in an officer, its exercise should be declared to be subject to the direction of the minister, either generally or in relation to policy. If this is not done it should then be reasonable to assume that the considerations justifying the exercise of the discretion are technical or in other ways of a kind requiring the officer to exercise independent judgment.

Appointment of Departmental Heads

4.5.8 Despite the proposals of the Boyer Committee and others, appointments to the key position of departmental head remain less regulated than do any other appointments within the Public Service. The flexibility that the government has retained in this area is epitomised by section 54 of the Public Service Act which, while envisaging that appointments might be made on the recommendation of the Public Service Board, provides alternatively that they may be made 'by the Governor-General without reference to the Board.' In practice the minister and the Prime Minister in most cases consult the Board, and recommendations receive Cabinet approval before being submitted to the Governor-General.

4.5.9 In view of the importance of these appointments, the Commission considers it desirable that they should be the result of a process of consultation which would culminate in the collective approval of Cabinet. We consider it
R49 unnecessarily inhibiting to legislate on this matter but *recommend* that when it is intended to appoint a departmental head:

(a) the vacancy be advertised whenever circumstances allow, but with the concurrence of the Prime Minister;

(b) a small panel be appointed to nominate and comment on a short list of suitable persons for Cabinet consideration: the panel being appointed by the Prime Minister and the minister after consultation with the Chairman of the Public Service Board;

(c) ministers have the right to nominate a potential appointee or appointees for consideration by the advisory panel;

(d) the short list, in order of preference, of the potential appointees resulting

1. R. v. Anderson; ex parte IPEC-Air Pty Ltd (1965)/113/CLR/177. See also paragraph 4.4.18 above.

from the deliberations of the panel, together with its comments, be given to the minister and the Prime Minister by the Chairman of the Public Service Board;

(e) the relevant minister and Cabinet approve the ultimate selection.

In Chapter 11.6 we recommend that the Public Service Board should maintain a list of potential candidates for higher appointments and draw attention to impending vacancies.

4.5.10 It is most probable that, as in the past, the majority of appointments to positions of head of a department will be made from within the Service. However the position of departmental head should not be 'closed', although we would be disappointed if the career service did not produce the best candidates in the majority of instances.

4.5.11 We see no need to prescribe by statute the qualifications for departmental heads generally, or for heads of particular departments. Though in every case an essential qualification would seem to be proven ability to manage and administer, other attributes, skills and experience varying from department to department, and possibly from time to time, may be relevant. In the case of the Director-General of Health, who is also head of the Department of Health, it is provided by section 5 of the National Health Act that 'a person is not eligible to be appointed as the Director-General unless he is a legally qualified medical practitioner of not less than ten years' standing'. Consistent with ensuring the minimum of barriers between positions, with the increased managerial as well as advisory roles of departmental heads, and with the practice in relation to the heads of other departments having substantial professional groups, for example Attorney-General's and Construction, we *recommend* that this limitation to medical practitioners be removed from the legislation. It would then be necessary to review the statutory powers vested in the Director-General of Health for the purpose of determining whether there is good reason to retain the office in addition to that of departmental head, and if so whether the occupant should be qualified as a medical practitioner and whether any other powers now exercisable by him should properly be exercised by the head of the Department of Health, even though that officer may not be medically qualified. R50

Tenure

4.5.12 A good deal of the discussion about departmental heads has been concerned with their tenure of office. Existing arrangements do not preclude changes in the occupancy of departmental head positions. Following the changes of government in December 1972 and December 1975, substantial changes were made in the structure and functions of departments, and a large number of departmental heads were displaced or relocated. There has been some disquiet about such changes. However, a departmental head whose department is abolished or who agrees to vacate his office does not thereby lose his position in the public service, but at present becomes an 'unattached officer', that is an officer not occupying an office created under the Public Service Act.

4.5.13 There is a very strong body of opinion, especially among senior officers of the Australian Public Service, that departmental heads ought not to be removable from office at pleasure. The reasons given for this view are, in many cases, the same as those for opposing the suggestion that appointments to the office be for fixed, but renewable, terms. The case for according security of tenure

depends heavily on prevailing conceptions about the nature of the office and the relation of the departmental head to the minister. Thus it is argued that since one of the most important functions of a departmental head is to give objective and impartial advice to his minister, he should not, in the public interest, be placed in a situation where he may be tempted, even subconsciously, to withhold or moderate unpalatable advice for fear of incurring displeasure and putting his job at risk. It is pointed out also that the advice departmental heads tender to their minister is confidential. By convention the minister assumes political responsibility for action taken on that advice, and departmental heads do not discuss or defend in public the advice they have given.[1] It is suggested that this anonymity strengthens the case for security of tenure: if departmental heads were publicly identified with the advice they give to ministers and were able to defend themselves, any removal from office for partisan political reasons would be apparent and likely to attract unfavourable attention.

4.5.14 On the other hand, it has been put to us that it is vital for a government to be able to count on the wholehearted support of departmental heads, and that a minister needs as his closest adviser a person with whom he can work effectively and harmoniously. It is claimed that there is an increasing need for departmental heads to become publicly known and publicly accountable for the actions of their departments. It has also been suggested that procedures are necessary to deal with departmental heads who prove to be less than efficient, and that it is desirable, from time to time, that any departmental head should be transferred to another position. Such arguments have led to proposals that departmental heads be appointed for a term, or at least be removable from office.

4.5.15 There are deficiencies in both extremes of the views set out above—that the departmental head should be assured of 'permanence' or that he should be removable 'at pleasure'. Arrangements are needed that will allow for flexible and efficient use of the talents available at this level, while also ensuring the necessary continuity in administration. In our view, it is appropriate that a government should have a power to transfer a departmental head where it sees a need. But it should have in mind its responsibility to make the best use of those working for it in the longer as well as the shorter term, and the effect low morale has on efficiency. It is necessary to reconcile the government's desire for flexible and responsive administration at the top; the general need for experienced administration; and the claims of senior officers, and the career service as a whole, to have appointments and movements made without caprice and after due process.

4.5.16 We have canvassed opinion on the question whether fixed terms of office up to a maximum period should be prescribed for heads of departments. Besides drawing opinions from within the Public Service and outside, we have had the advantage of discussions with members of the Committee of Inquiry into the Public Service of South Australia, who in their report recommended appointment for terms of seven years. We have come to the conclusion that any advantages accruing from a system of fixed term appointments are outweighed by the disadvantages, and that rotation of departmental heads could be achieved more satisfactorily without such a system. A universal and mandatory system of fixed-term appointments would introduce a degree of rigidity into the staffing of

1. But see Chapter 5.1.37.

senior positions in departments which governments could find highly inconvenient and an impediment to the execution of their policies. A fixed term may have the effect of lengthening the period a person should serve, just as it may arbitrarily cut a period of service too short.

4.5.17 Nonetheless we are firmly of the view that it should be the practice for departmental heads to be moved and that, unless there are special reasons, they should not remain in the one department for more than seven years. Many departmental heads have stated to the Commission that five to seven years in one department was enough, and that it was then time to move on. To this end, the machinery we have described in paragraph 4.5.9 to advise on candidates for appointment to departmental head positions could be used periodically, to review existing appointments of departmental heads who had served in the one department for five or more years. The task of the committee on this occasion would be to consider and advise the Prime Minister on how departmental heads who had served their departments for five or more years might be relocated. It should be expected that generally a departmental head would remain in a particular office for not less than three years. This review might, of course, proceed alongside the preparation of short-lists of possible appointees to vacancies or impending vacancies. We believe that, in future, movement of senior officers between departments and statutory bodies should be seen not only as normal but as something to be planned. It would help to broaden the career opportunities of senior managers, to diversify their experience and improve the quality and range of talents of the pool of individuals from which senior appointments may be made. A related use of the advisory machinery on departmental head appointments could be to assist in the relocation of displaced officers. Relocation is just as much a responsibility of the government as initial appointment, and the advisory group could provide a useful means of assisting the Public Service Board and the government in its performance. R51

4.5.18 There will be cases where a minister may wish to change his departmental head before this would occur in the ordinary progression. There are in our view, valid reasons why this may be desirable but it should not be done lightly on the unilateral decree of the minister, but only after deliberation and through the agency of a moderator. We *recommend* that a minister wishing to change his departmental head should refer his request to the Prime Minister who, if satisfied that the request is reasonable, should give the departmental head the opportunity to accept a transfer. If the departmental head proves unwilling, the Prime Minister should, before recommending compulsory transfer by act of the Governor-General, refer the case to the panel advising on selections for its advice. It is not envisaged that the adoption of this procedure would in any way affect the operation or use of statutory powers to procure removal from office for misconduct, incapacity, disability or other such recognised causes. R52

4.5.19 Appointments of heads of departments should not necessarily be reviewed as a matter of course on a change of government, independently of any review which must occur as a consequence of administrative rearrangements. No case has been presented to the Commission for the development of a system which would, in effect, make a departmental head's tenure of office coterminous with the life of the government under which he was appointed. The unquestionable need for departmental heads to serve faithfully the government's aims does not mean that a person's capacity to give such service can be judged on the simple

basis of whether he owed his initial appointment to a government of the same or different political persuasion. Extensive changes in the headships of departments during the 'settling in' phase of a new government could prove disruptive, and could deprive the new ministry of knowledge and experience on which it should rely heavily during its early days in office.

A Statutory Office of Departmental Head

4.5.20 In many ways, the desired capabilities of departmental heads resemble those of statutory office holders: indeed, they are treated in this way for purposes of determination of salaries by the Remuneration Tribunal. Partly for this reason, we have recommended in Chapter 9.4 of the Report that there be greater movement between the Public Service and statutory bodies. To facilitate this development, and also to resolve present ambiguities about the office of
R53 departmental head, the Commission *recommends* that the office of departmental head be made statutory, governed by terms and conditions of appointment specific to it which would provide that a departmental head be appointed by the Governor-General and that:

(a) the Governor-General should have a power to transfer a departmental head to another suitable office;

(b) departmental heads appointed from outside the service should be appointed on negotiated initial terms and conditions which would cover, among any other points, the terms of severance as indicated below in paragraph 4.5.21;

(c) occupants of the office should not by reason of their appointment become officers of the Australian Public Service; but

(i) those who already were officers of the Service should be assured continuation of their rights under the Officers' Rights Declaration Act (or the wider Commonwealth Administration Act recommended in Chapter 9.4), on the same basis as officers appointed to other statutory offices.

(ii) a departmental head who is not protected by the Officers' Rights Declaration Act but loses office by virtue of abolition of a department should be treated on the same basis as a statutory officer who loses his office by repeal of the statute under which he holds office (see paragraphs 4.4.40–42);

4.5.21 Adoption of this recommendation would introduce a distinction between departmental heads appointed from the Commonwealth Public Service and those appointed from outside the Service, in that a person appointed from outside the Service would not be covered by the Officers' Rights Declaration Act, and would have no statutory right to be employed in the Public Service. Otherwise it is not envisaged that the terms and conditions of employment of departmental heads appointed from outside the Service should be any less favourable than those coming from the Service. It has to be recognised that in practice a degree of insecurity already exists in the office of departmental head, as illustrated by experience over the past four years. Our object is not to increase this insecurity, but to suggest that the processes for determining movement be regularised and that arrangements for relocation be clarified and made more just. Legislation to give effect to our recommendations should be expressed so as not to affect the status of departmental heads serving at the time it comes into force, unless they elect in writing to be subject to the relevant statutory provisions.

4.5.22 To mark the difference between heads of departments and heads of statutory bodies, we consider the statue should provide that departmental heads would *ex officio* have the powers of a Chief Executive Officer (which would be a new position analogous to but distinct from that of the revitalised Chief Officer position we have proposed in paragraph 4.3.15 above, and that those heads of statutory bodies in whom it was desired to vest 'permanent head powers' would in future be appointed as Chief Executive Officers. Thus they would have the legal powers provided for in the Public Service Act, just as do heads of departments under current arrangements, but they would not have the 'status' of a departmental head. To this end, we *recommend* that a new position of Chief Executive Officer be provided for, with the powers currently conferred on heads of departments by the Public Service Act: R54

(a) heads of departments would have these powers *ex officio* and they would be conferred as appropriate on Chief Executive Officers of other organisations staffed under the Public Service Act;

(b) Chief Executive Officers would have power to delegate their powers to Chief Officers and others, and to revoke those delegations.

4.5.23 Following our review of the office of 'permanent head' we have felt it desirable to consider whether that designation continues to be appropriate. In our view, it does not. Neither theory nor practice suggest that the holders of this office are 'permanent', nor in our view should they be. The generic title 'permanent head' appears to have been taken over from British practice to differentiate between the political head of the department, that is the minister, and the non-political head. We believe the retention of the title tends to encourage the mistaken belief that the occupant of the office has a right to remain in it indefinitely. The extension of what is called 'permanent head status' in recent years to the holders of statutory offices who are not heads of departments has further eroded the descriptive value and accuracy of the term. We *recommend* that the office be designated 'head of department', a term which fits current usage quite well, and that the incumbent be normally designated 'secretary' as at present. In this connection, our recommendation above for the use of the title 'Chief Executive Officer' will meet the needs of those statutory officers who need to be able to use the powers of the Public Service Act, while not equating or confusing their position with that of the departmental head which, as we have indicated, occupies a special place in the administration. R55

4.6 MINISTERIAL OFFICES

The Role of the Minister's Office

4.6.1 The expansion in ministerial offices which took place following the general elections in 1972 focussed attention on their role and function, not only because of the increase in numbers of appointments from both inside and outside the public service but also because many of the appointees were at a more senior level than had previously been the norm. Hitherto appointments had been of relatively junior level officers and a private secretary of middle level rank (mainly class 6 to 8), the new range of officers up to the top of the third division provided a potential for introducing a source of advice from within the service, additional to the advisory appointments made from outside. There were some who suggested to the Commission that the new system was a mistaken departure from the earlier role of the minister's private office, and tended to isolate the minister from his

department. Others suggested that this was the first step in the development of substantial private offices around ministers, possibly along the lines of the French ministerial 'cabinets'. It was further said that a more highly developed ministerial office would protect departments from involvement in political matters. Another view was that the adviser role was a temporary phenomenon, associated with the advent of a Labor government after a long period in opposition, and that over time ministerial offices would tend to revert to the purely facilitative role.

4.6.2 The central question raised by these developments is which functions the ministerial office should discharge. At the one extreme, the view could be taken that the minister's office should be simply a small section of his department, with officers assigned to it just as they are to any other special unit within the department. In the early years of the Federation, up to the insertion of section 48A in the Public Service Act in 1930, this appears in effect to have been the basis for staffing the then very small offices. The 1930 amendment implied some separation of the ministerial office from the department, by authorising the secondment of career service officers to become the private secretary of ministers and, more importantly, guaranteeing their reinstatement in the Service on termination of the appointment.[1] At the other extreme, the view has been taken that the minister's office should be a unit designed to be the minister's primary source of advice on policy, thus both reducing the government's dependence on officials and insulating the administration from political matters.

4.6.3 To assist us in considering the role of Ministerial offices we engaged as consultant Dr R. F. I. Smith from the Australian National University, and we have also benefited from the research of Mr Roy Forward of the University of Queensland.[2] Mr Forward based his report on a questionnaire addressed to nearly all of the 179 people who had been on ministerial staffs during the period April 1972 to November 1974. He found the ministerial staff surveyed to be a relatively young group, 85 per cent of them being under 40. More than two-thirds of the group mentioned an interest in high-level government work among their three principal reasons for joining a minister's office, and more than half of them considered liaison with the Public Service to be among their three main roles. The other important functions envisaged by him were general office administration, advising the minister on policy and 'general trouble-shooting'. Only 2 per cent of the working time of ministerial staffs overall was estimated to be spent in contact with extra-parliamentary 'political' groups. This survey confirms a conclusion reached by Dr Smith that, although the work of ministerial advisers varies considerably, most of it is concerned with the running of the office and liaison with departments: participation in the policy advising process has been essentially limited and restricted.

4.6.4 A minister is at the centre of a very complex network of interests, and in our view the arrangements for administrative support will work best if they do not impair those interests' capacity to influence him. Thus the minister is an important focus for his departmental officers, his ministerial colleagues, members of Parliament of both his own party and the opposition, as well as for members of the public: interest groups or individuals concerned with the work of the

1. Arrangements for staffing ministerial offices are discussed in Chapter 9.4.
2. Extracts from Dr Smith's report appear at Appendix 1.J. Mr Forward's work has been published in APSA Papers, Volume 2, 1975.

department and persons with electoral and other political interests. Given the pressures on a minister's time, the primary role of his private office should be to regulate and organise the minister's communication with these sources of influence. Attempts by ministerial staff to interpose their personal influence between these sources and the minister are likely to impair his capacity to respond to such sources and to use effectively the resources potentially at his disposal.

4.6.5 However, the Commission is not insensitive to the need of ministers for better staff resources immediately available to them. Where the minister feels this need we consider that it can best be met by raising the level and status of the private secretary. He or she is the person most closely and continuously involved with the minister and, if of suitable wisdom, experience and maturity, can be a most valuable resource. At the same time, a minister will not necessarily wish to have a person of this calibre in a private office—he may prefer simply to have an effective secretariat which ensures that he has access as he needs to other sources of advice and support. It should therefore be possible to staff ministers' offices so as to meet the minister's requirements. Accordingly, we *recommend* that the grading of ministerial private secretaries be made sufficiently wide to allow employment of people who at the lower end of the scale are essentially office managers, while at the other end they may include persons capable of research or advisory functions. R56

4.6.6. We do not rule out the possibility that a minister may wish to have advisers at more senior levels in his private office although generally we consider it preferable that such advisers, even if appointed for a limited term should be integrated with the staff of the department. If a minister feels he needs additional support in terms of the policy analysis or options submitted to him, or in terms of the administrative issues that come before him, it is preferable that he should take up these needs with his departmental head and arrangements satisfactory to the minister be made to meet them. This course accords with the view the Commission has expressed that ministers can and should be involved in the way their departments work. There will be occasions when an additional officer with special knowledge, experience or capacity will be required to assist the minister, but it will frequently be more helpful to him if the resources of the department are more effectively mobilised or stimulated to be responsive to his needs.

Departments and Ministerial Offices

4.6.7 Dr Smith observes that there is inevitably some tension between departments and ministerial offices. This tension arises essentially because a department regards itself as the chief servant of the minister, and the moderating influence ministerial private offices have to exert in the interests of the other claims upon a minister's time inevitably means that there are times when a department has to wait its turn. The problem can be further exacerbated the more the ministerial office becomes involved in policy issues. Dr Smith observes that:

> 'the problem with policy-oriented ministerial staff is that their presence disrupts accepted patterns of bureaucratic influence. They challenge both the formal responsibility and informal practices of senior public servants, and in doing so focus unwelcome attention on bureaucratic politics'.

In this connection, Mr Forward found that ministerial offices are not in practice

as much politically oriented as has sometimes been claimed. We accept that finding. Senior officials in departments are inevitably involved in preparing most of the material on which a minister's 'political' decisions are taken, and in carrying out those decisions. Departments are therefore inextricably involved in the political process. It is their task to fashion into administrative form the political policies and programs of the government and their minister and it is normal for them to bring to the attention of ministers political issues arising out of the administration of those programs. If they are shielded from the minister by a powerful private office, they may be unable to give him the advice and counsel he needs, or to obtain from him the judgments necessary if they are to execute policies to his satisfaction. Ultimately, it is for the minister to divide responsibility between the private office and the department. If he is wise he will make full use of the capacities of each.

4.6.8 Material received by the Commission suggests that opinion among senior departmental officials differs as to whether ministerial staff ought to be involved in departmental processes leading to the tendering of advice to the minister. Where a minister is receiving divergent advice concurrently from his departmental head and his personal staff on matters of policy, he may think it desirable to bring the parties together to discuss their points of difference. In cases where the minister wishes to engage a person or persons to make inquiry on a specific subject requiring special experience or expertise, his needs may in some instances be better served if the person is engaged through the department as a consultant or temporary employee. This procedure would seem to be particularly appropriate where the task is well defined and the adviser would not be expected to be 'on call' in the minister's office. It would also be advantageous where the adviser would, by the nature of his assignment, find it necessary to work within the department and in collaboration with departmental officers. We discuss the use of consultants for advisory purposes at paragraph 4.3.41.

4.6.9 The role of the departmental liaison officer was brought specifically to our attention. These officers have been appointed particularly where the private secretary has not had departmental experience and is unfamiliar with the workings of his minister's department. The primary task of the departmental liaison officer is to ensure that the minister and his staff are kept in contact with developments within the department and are able to make contact with the officer concerned with any particular issue. They are also charged with the task of ensuring that the department is aware of issues with which the minister is concerned, so that it can give whatever assistance it can. There can be occasions when, because of his double loyalty, the departmental liaison officer is in a difficult position. It seems that such a situation emerged during 1974, following which a letter was issued by the Prime Minister indicating that officers seconded in this way are for the period of secondment full members of the minister's staff.

R57 We agree that it is essential that the minister have full control over and responsibility for all members of his staff, including seconded officers. Similarly we have urged that it is the departmental head and his colleagues within the department who should have the immediate authority to direct officers who are serving in the department. Where difficulties arise on either side, these are best sorted out between the departmental head and the minister, or with their knowledge and on a basis that meets with their approval.

Chapter 5 The Administration and Parliament

5.0.1 The Commission's terms of reference have directed it to give attention to the 'relationship of the Australian Public Service and statutory corporations and other authorities with the Parliament, Ministers and the community' and to the 'parliamentary scrutiny and control of administration'. This chapter deals generally with the role of Parliament in the scrutiny and oversight of government administration and with parliamentary procedures for enforcing public accountability for the administration. Consideration is given also to the matter of appearance of public servants as witnesses before the Houses of Parliament and their committees, and to communications between members of Parliament and public servants otherwise than in the course of parliamentary proceedings. Arrangements for staffing the parliamentary departments, and staff for members of Parliament are treated in Chapter 9.4.

5.1 PARLIAMENTARY SCRUTINY AND CONTROL OF THE ADMINISTRATION

Constitutional Aspects

5.1.1 It is important at the outset to recognise what Parliament's role in the scrutiny and control of the administration is and is not. Only then can one proceed to evaluate the means that the two Houses have at their disposal to fulfil their proper role.

5.1.2 Under the Constitution, the primary function of the Commonwealth Parliament is to legislate, and such authority as it has to scrutinise and control the activities of the executive government derives from that primary function. Because the Constitution treats the legislative and executive powers of government as different and separable, locating them in separate institutions[1], there is a point beyond which Parliament cannot go in its oversight of administration without arrogating to itself executive authority which the Constitution implicitly denies it.

5.1.3 While the Constitution does not allow Parliament to exercise any part of the executive power—whether pursuant to its own enactments or otherwise—the legislative power that it has, and the auxiliary powers conferred on its constituent Houses, clearly place it in a dominant constitutional position over the executive government; and the more so by reason of the requirement laid down in section 64 of the Constitution that ministers shall not hold office for more than three months unless they have become members of Parliament. In practice, as we have noted in Chapter 4.1, this requirement has had the reciprocal effect of contributing to the Ministry's effective influence in the legislature. The dominance of Parliament in the constitutional order arises principally because of the fact that the legal

1. See sections 1 and 61 of the Constitution.

authority which the executive government possesses independently of Acts of Parliament is nowadays not very extensive. The dependence of the executive government on Parliament for its legal authority, including its authority to raise revenue by taxation and to expend moneys of the Commonwealth whatever their source, is the ultimate legal foundation for parliamentary control over executive action.

5.1.4 The auxiliary powers conferred on the Houses of Parliament[1] enable them to determine for themselves the order and subjects of debate and deliberation, and give them coercive investigatory authority: the power to require the attendance of witnesses, the giving of testimony and the production of papers and records, together with authority to delegate that power to committees of their members, and the power to try and punish for disobeying their processes. Although there is some question whether the investigatory powers of the Commonwealth Parliament are as extensive as those of the House of Commons, it is assumed in this Report that there is no constitutional limitation on the authority of the Houses to inquire into the activities of the executive government by the auxiliary means that the Constitution allows.

5.1.5 Yet neither the power of inquiry granted by section 49 of the Constitution nor any other power given to the Houses by that section permits them to make legally binding orders or give directions concerning the execution of the laws. Attempts to assert such authority would be incompatible with the separation of powers embodied in the Constitution. It would, incidentally, be claiming greater authority than is possessed by the House of Commons. Erskine May wrote that the United Kingdom Parliament:

> 'has no direct control over any single department of state. It may order the production of papers for its information and it may investigate the conduct of public officers and may pronounce its opinion upon the manner in which every function of government has been or ought to be discharged; but it cannot convey its orders or directions to the meanest executive officer in relation to the performance of his duty.'

5.1.6 Despite this limitation, the Commission has taken it for granted that Parliament can call upon a minister to account to it for the administration of the department of state for which he is responsible. We discuss earlier in the Report the difficulties which confront ministers in giving reality, comprehensively and in detail, to their responsibilities for action taken within their departments. These difficulties have implied a corresponding decline in Parliament's effective power to scrutinise the administration. We consider that Parliament's role could be strengthened if methods of scrutiny and control could be developed within the administration itself in ways which would bring information before Parliament in a form which would assist the exercise of its investigatory authority over standards of administrative performance.

The Instruments of Scrutiny and Control

5.1.7 At this point it is necessary to review briefly the principal means by which Parliament at present exercises its function of scrutiny and control. Opportunities to examine the executive's activities can arise in the course of debating legislative proposals, notably appropriation bills; but for the most part parliamentary attention to administration takes place outside the legislative process. Thus, it is

1. Section 49 of the Constitution.

pursued by the questioning of ministers, by debates on the Address-in-Reply to the Governor-General's speech and on the adjournment of the House, by the introduction of grievances, by general business motions and motions dealing with matters of urgent public importance, by ministerial statements, by the presentation of reports and by the inquiries of select and standing committees. Despite their great value to a democracy, these procedures in many instances are hampered by lack of information, or by not being pursued in the systematic form necessary for an adequate probing of executive and administrative action.

5.1.8 Question time and questions-on-notice have long been regarded as a vital instrument for securing public accountability for executive action. Given the present legislative restrictions on disclosure of information by officials and the absence of legally secured public rights of access to official records, questions to ministers are often the only way of obtaining needed information. Nevertheless a number of informed observers have concluded that question time and questions-on-notice are of very limited efficacy as a vehicle for critical scrutiny of administration and for ensuring public accountability. It has been pointed out that, given the short period of time set aside for questions without notice (approximately 45 minutes), the call system, and the absence of supplementary questions, members have little opportunity to pursue a line of questioning. Ministers cannot be expected to have all the relevant information at their fingertips when asked questions without notice about many departmental activities, and in any event are not held rigorously to the rule in standing orders that answers be relevant to the question. When members ask questions, particularly questions without notice, they not infrequently do so, it has been alleged, for party political advantage: to make assertions as much as to obtain information. Questions-on-notice are less open to such criticism, and do produce a substantial body of information in response to selective probing into the administration.

5.1.9 A large amount of official information is conveyed to Parliament annually in the form of reports and papers, some of them in pursuance of a statutory obligation to report, some 'by command' of the Governor-General. Since 1973 it has been the practice to present annual departmental reports even though this may not, and usually is not, required by statute. Statutory obligations to report, where they exist, tend to be unspecific about what, apart from financial accounts, ought to be the subject of report, and parliamentary consideration of the reports has yielded little by way of guidance on what parliamentarians wish to have reported to them. Reports on departmental and statutory authority operations vary quite considerably in their presentation and content, and also in the extent to which the information they disclose provides an adequate basis for critical public scrutiny. To provide a basis for searching parliamentary reviews of administrative activity, and to receive the critical attention they deserve, the reports will have to contain relevant information. The content of the reports may therefore need to be more precisely directed, and Parliament may need more expert advice than is now available to it.[1] In addition there has to be some real expectation that the reports will be perused and that their contents are possible subjects for parliamentary investigation and appraisal. We discuss the content of departmental and statutory body reports further in Chapter 4.3.25–27 and 4.4.32 respectively. R58

1. See Chapter 11.4.8, on the relations of the Auditor-General to Parliament.

5.1.10 The most promising avenue for more effective parliamentary scrutiny is generally acknowledged to be the further development of parliamentary committees. The Commission shares this view, but also considers that the scope for development will be best realised if there is a recognition of the practical limitations in resources that Parliament faces when seeking to engage in investigative activity.

5.1.11 The Commonwealth Parliament now has a number of committees which are exclusively or partly concerned with its scrutinising function. They include the Joint Committee on Public Accounts and the Public Works Committee, both of which are statutory; the Senate Standing Committee on Regulations and Ordinances; the joint committees on the Australian Capital Territory, the Northern Territory, Foreign Affairs and Defence, and Prices; the Senate Estimates Committees and Legislative and General Purposes Committees; and the recently formed Standing Committee of the House of Representatives on Expenditure. Of the committees in existence, the two most active in the scrutiny of administration *post hoc* have been the Joint Committee on Public Accounts and the Senate Standing Committee on Regulations and Ordinances.

5.1.12 The Public Accounts Committee is a long-established body. It was first brought into being in 1913, though its activities were suspended between 1932 and 1951. Its duties are defined by the Public Accounts Committee Act 1951–1973 as being:

(a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of the Audit Act;

(b) to report and comment to both Houses of Parliament, as it thinks fit, on any matters in those accounts, statements and reports, or any circumstances connected with them;

(c) to report also concerning any alternation which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys;

(d) to inquire into any question in connection with the public accounts which is referred to it by either House, and to report to that House accordingly.

Other duties may be assigned to the Committee by Joint Standing Orders approved by both Houses of Parliament.

5.1.13 The Public Accounts Committee has not interpreted its functions as extending only to questions of financial regularity, and the Act entitles it to take a broader view. The Committee has indicated more than once that it regards its functions as including investigation to determine whether value has been obtained for money spent.[1] Its comments and recommendations are examined by the Treasury in consultation with the departments concerned, and replies to it take the form of Treasury Minutes. In its Sixteenth Report the Committee described the procedure it would follow on receipt of Treasury Minutes as follows:

> '(a) the Treasury Minute in reply to the Committee's Report should be submitted to the Parliament as soon as possible after it is received;
>
> (b) the Committee should not usually make any comment on the Treasury Minute other than to note recommendations not dealt with or subject to a

1. Fourth Report, p. 5; 215 CPD 2794–5.

further Minute. In special cases where comment is thought desirable, the Committee would make it;

(c) the Committee would review a Minute, if necessary, when it again examines the department concerned.'

In practice the Committee has not actively contested Treasury Minutes which are at variance with its recommendations. In accordance with the Committee's own advice, the practice is for debate on its reports to be deferred until the relevant Treasury Minutes are available, so that the Houses have before them a balance of information and opinion. It seems, however, that full and searching debate of the Committee's reports is rare.

5.1.14 Its dialogues with the Treasury are undoubtedly an essential element in the system of parliamentary review which the Public Accounts Committee Act envisages and, given the main thrust of this Committee's charter, the choice of Treasury as the department to respond generally to its reports is not inappropriate. On the other hand, where the conclusions and recommendations of the Committee invite action which does not fall squarely within the authority and responsibility of the Treasury, it would, in our view, be preferable if the committee sought obtained responses directly from the department or statutory body immediately concerned and from any other co-ordinating authority which had both power and responsibility to take corrective action. This would be particularly advantageous in view of our recommendations for greater departmental flexibility in financial matters. R59

5.1.15 A substantial enlargement of the Auditor-General's role and the scope of his reports on the administration, such as the Commission proposes in Chapters 3.6 and 11.4, would have an important bearing on the activities of any parliamentary committee concerned with his reports. Since the Auditor-General presents his reports to Parliament as a whole, the contents need not be the interest of one committee exclusively, though there is a need to avoid undue overlap in the active responses to matters which he raises. As we have noted, one of the duties laid down by legislation for the Joint Committee of Public Accounts is to examine the Auditor-General's reports. Although no other parliamentary committee is specifically enjoined to do that, some very recent developments in the Parliament's discussion and formation of committees suggests that the structure and functioning of the committee system is likely to be more fluid than it has been in the past. Before referring to these new developments, however, it is appropriate to note relevant activities of some other long-established parliamentary committees.

5.1.16 The second major committee charged with review of administrative action has been the Senate Standing Committee on Regulations and Ordinances, which was established in 1932. All regulations laid on the table of the Senate, except those of the Northern Territory, stand referred to the Committee for consideration and, if necessary, report. The subordinate legislation which stands referred to the Committee is, effectively, that which is required by statute to be laid before each House of Parliament, and is subject to disallowance. The Standing Order establishing this Committee does not prescribe any principles or standards which it is expected to apply. But in the early stages of its existence the Committee resolved that it would not concern itself with the policing of regulations and ordinances, and that its reviews would be guided by the principles suggested in the report of the Select Committee on the Standing

Committee System of 1929. These were that regulations and ordinances be scrutinised to ascertain:

(a) that they are in accordance with the Statute;
(b) that they do not trespass unduly on personal rights and liberties;
(c) that they do not unduly make the rights and liberties of citizens dependent upon administrative rather than upon judicial decisions;
(d) that they are concerned with administrative detail and do not amount to substantive legislation which should be a matter for parliamentary enactment.

5.1.17 The Committee is assisted by an independent legal adviser to whom all subordinate legislation coming before it is referred, along with the explanatory memoranda of the departments concerned. The regulations and ordinances are then examined in the light of the adviser's comments. If they appear to offend against the agreed principles, the Committee may invite the responsible minister to tender a written explanation, or send witnesses to answer questions. Should the Committee then decide that the matter should be pursued further, it may seek to give the opportunity of withdrawing the offending legislation, or report to the Senate recommending disallowance. In practice the former course has proved most successful.

5.1.18 It is not necessary for the purposes of the present Report to describe in detail how the principles adopted by this Standing Committee have been applied. (A general description is contained in the Committee's 43rd Report.) Suffice it to say that, in the Commission's view, over the years the Committee has more than justified its existence. Its success is probably due in large part to the facts that its compass is modest and well-defined, and that the standards it applies have a settled core of meaning readily understood by most draftsmen. It may well have been assisted by the fact that the Committee has professional help in its work.

5.1.19 Since 1970, the committees of the Senate have been augmented by the appointment of five Estimates Committees and seven standing Legislative and General Purposes Committees, each with a specified area of reference.

5.1.20 The Legislative and General Purposes Committees, as their generic title suggests, have several functions within broad subject areas. Each has been empowered 'to inquire into and report upon such matters as are referred to it by the Senate, including any Bills, Estimates or Statements of Expenditure, messages, petitions, inquiries or papers'. Insofar as they may be required to inquire into and report on the Estimates, their jurisdiction overlaps that of the Estimates Committees which were established contemporaneously, but only because opinion in the Senate was fairly evenly divided between those senators who favoured immediate introduction of specialised subject committees and those who preferred to proceed more gradually with Estimates Committees and await the results of their experience. In the event, only two Legislative and General Purposes Committees were appointed in the first instance. The remaining five were appointed at the commencement of the first session of 1971 after receipt of a report on the operation of the Estimates Committees and the two 'experimental' Legislative and General Purposes Committees. All have been re-appointed from one Parliament to the next.

5.1.21 It is apparent from the terms of reference of the Legislative and General

Purposes Committees and also from the reports and debates that attended their creation that they were seen by senators not merely as an aid to the legislative process, but as a means of facilitating the 'discharge (of) Parliament's important duty to probe and check Government activities'. Reference was made to 'the inadequacy of opportunities and means on the floor of the Senate' to do this; 'the need for more question and answer sessions with Senate Ministers and departmental officers regarding Bills, policies and administration'; the need 'for a delegation to Committees of power to continue inquiries, and the investigation of Government activities during the period when Parliament is not in session; and the need, in an increasingly expert society, for Senators to be able to call upon scholarly research and advice equal in competence to that relied upon by the Government'.

5.1.22 Judging from the references which the Senate has made to the Legislative and General Purposes Committees and from their reports to date, their activities so far have been more concerned with development of policy and examination of petitions and Bills than with scrutiny of administrative operations. The Estimates Committees, in contrast, have by the very particularity of their terms of reference, introduced into parliamentary consideration of expenditure proposals a degree of discipline not previously evident. While examination of the estimates in committee has undoubtedly assisted the Senate and perhaps even promoted more rigour in the preparation of expenditure proposals, there is still some scepticism about the efficacy of the Committees in exacting adequate answers and justification of outlays questioned.

The Future of Parliamentary Committees

5.1.23 In 1974 the Senate and the House of Representatives appointed a joint committee to undertake a comprehensive review of the parliamentary committee system. Its terms of reference were 'to inquire into, report on and make recommendations for:

(a) a balanced system of committees for the Parliament;
(b) the integration of the committee system into the procedures for the Parliament;
(c) arrangements for committee meetings which will best suit the convenience of Senators and Members.'

5.1.24 After presenting in October 1975 an interim report prepared by its sub-committee, the Joint Committee presented its report to Parliament on 26 May 1976. In the meantime, the government had in April 1976 established a new standing committee on public expenditure to be drawn from members of the House of Representatives. When announcing this proposal in the House on 8 April, the Prime Minister said it was not proposed at that stage to make any change in the character of the Joint Committee on Public Accounts but that the subject would be kept under review as its new expenditure committee developed, in recognition of the potential for overlap. The subsequent report of the Joint Committee on the Parliamentary Committee System was presented too late for a detailed consideration by the Commission. We have however, noted with particular interest the Committee's recommendation that the recently formed Standing Committee on Expenditure and the Joint Committee on Public Accounts (along with other joint committees) be abolished, and that these two

committees be replaced by a Standing Committee of the House of Representatives on Public Administration, concerned with administrative efficiency. While it is not for the Commission to express a view on this report, it believes that the existence of a standing parliamentary committee with terms of reference which enable it to scrutinise administrative efficiency would greatly strengthen the capacity of Parliament in this function. This would be particularly so if the changes affecting the role of both the Auditor-General and the Public Service Board which we have recommended are adopted (see Chapters 3.6 and 11.4).

5.1.25 The effectiveness of any parliamentary committee concerned with administrative efficiency will depend, apart from the professional support which the Auditor-General can provide, on the personal involvement of its parliamentary members. It is worth recalling the stimulus given to the work of the Public Accounts Committee by one dedicated and able chairman who remained long in
R60 that office. We *suggest* for the consideration of Parliament and the government therefore that members of the committee chosen to scrutinise administrative efficiency should be given special incentive to develop skills in the work, and that its non-partisan function should be emphasised. Each of these purposes would be advanced if both the chairman (from the government party) and the deputy chairman (from the opposition party) received remuneration equivalent to that of a minister. Competition from persons of ability and professional standing could be expected for these posts, and members with such capacities might be encouraged to see promotion to them as an attractive alternative to ministerial rank.

5.1.26 We note that parliamentary committees have on occasions drawn attention to the lateness or inaccuracy of information prepared by departments in response to committee requests.[1] Effective preparation of material for parliamentary committees is an aspect of relationships between the Parliament and the administration which requires constant attention, and we commend to departments and agencies the importance of thorough preparations for the work of these committees.

Appearance of Officials before Parliamentary Committees

5.1.27 The rights of Parliament to obtain information from public servants touches on some significant issues of accountability of the administration, and these issues are potentially, and in fact, coming up for a degree of consideration, if not testing, with increasing frequency. The appearance of public servants before committees of the Parliament is nowadays a not uncommon occurrence, although their appearance before the Bar of the Senate or the House of Representatives is rare. Committees before which public servants regularly appear include the Estimates Committees of the Senate and the Joint Committee on Public Accounts.

5.1.28 There is no question that the Houses of Parliament and their duly authorised committees have authority to summon public servants before them to give evidence and produce books, papers and records. And though the matter has

1. See, for example, Report of Joint Committee on the Australian Capital Territory, 1972—Parliamentary Paper No. 142, at paragraph 5; two reports of the Parliamentary Standing Committee on Public Works—the 38th General Report, 1975, at paragraph 13 and the 4th Report of 1975 on the Australian Government Centre at Parramatta at paragraphs 54–55; and the 160th report of the Joint Committee on Public Accounts (1976) on Expenditure from the Consolidated Revenue Fund for 1974–75, at paragraph 202.

not been finally resolved, there are grounds for believing that it would be in breach of parliamentary privilege for a minister or the Cabinet, for any reason whatsoever, to direct an officer not to appear in answer to the summons. There is still, however, some doubt about the application to parliamentary proceedings of the doctrine of Crown privilege, that is to say whether, as a matter of law, the authority of the Houses and their duly authorised committees to require the giving of evidence or the production of documents is qualified by a further requirement preventing the admission of evidence which it is not in the public interest to divulge.

5.1.29 The doctrine of Crown privilege was developed and is applied by the courts of law. Normally a claim of Crown privilege is made by or on behalf of a minister of the Crown, but in circumstances where the privilege is known to apply the courts are bound to exclude evidence in respect of which privilege could be claimed, notwithstanding that neither a party nor a minister seeks its exclusion. Where the privilege is claimed, it is the responsibility of the court to decide whether the claim is well founded. It is not obliged to accept the minister's certificate as conclusive, and it may examine the evidence in respect of which the claim is made. If Crown privilege does apply in parliamentary proceedings there are obvious difficulties in transposing to that context in their entirety the practices and procedures followed by the courts.

5.1.30 Neither House of the Commonwealth Parliament has as yet formally determined whether it accepts or does not accept that its investigatory authority is legally constrained by Crown privilege. It is apparent that they are at least prepared to entertain claims, and in some situations not to insist on answers being supplied, but this does not necessarily signify acquiescence in any limitation on the legal powers of the Houses. The issue could be resolved by legislation, preferably legislation dealing generally with parliamentary witnesses. In the absence of such legislation, the most to be hoped for is some general agreement concerning principles and procedures to be followed, particularly in relation to the appearance of public servants and officers before parliamentary committees.

5.1.31 Principles and procedures have previously been suggested by a former Prime Minister, Sir Robert Menzies, and a former Solicitor-General, Sir Kenneth Bailey, in relation to inquiries by the Joint Committee on Public Accounts and the Senate Standing Committee on Regulations and Ordinances respectively. These proposals have not been formally endorsed by the Houses of Parliament but appear to have been used as guidelines.

5.1.32 The Commission *suggests* that the government prepare for the guidance of officials and for discussion, a statement of the principles and procedures it would wish to be followed when evidence from official witnesses is sought, and a set of instructions for the guidance of officials whose attendance before parliamentary committees might be requested or required. Having taken this step, the government might think it appropriate to move for the establishment of a joint select committee of Parliament to consider and report on the desirability of dealing with the matter by statute. R61

5.1.33 Without wishing to anticipate parliamentary consideration of the important constitutional question as to whether the executive government should be permitted to withhold certain classes of information and documents from the Houses of Parliament and their committees, the Commission takes the view that

since claims of Crown privilege have been made in Parliament and since the Houses of Parliament and their committees have shown a willingness at least to consider such claims, it is highly desirable that there be a commonly agreed procedure by which the claims are made and in what form. In particular there is a need for a clear understanding to be reached about the respective roles and responsibilities of ministers and their departmental officers.

R62 5.1.34 The procedure suggested by the majority of the Commission for consideration is as follows.[1] Claims of Crown privilege should ordinarily be made by the responsible minister of state. To ensure that ministers have adequate opportunity to determine whether a claim should be made, requests for the attendance of or summons to departmental officers should be notified to the responsible minister, with particulars of the matters on which evidence is sought, so that as far as possible a decision whether or not to claim privilege may be taken in advance of hearings. If, during the course of a hearing, a matter arises which is potentially a subject on which privilege might be claimed, the officer should be afforded an opportunity to consult with his minister before making reply. In a case where a committee desired to pursue a course of inquiry once a question of Crown privilege had been raised, it should be open to the chairman to consult with the minister to discover whether the evidence would be made available if a hearing *in camera* were held with suitable safeguards for the preservation of the confidentiality of the evidence.

5.1.35 Irrespective of whether as a matter of law, the Houses of Parliament and their committees are bound to accept a ministerial claim of Crown privilege
R63 without further inquiry, it is highly desirable that any such claim should disclose on its face reasons why the evidence in respect of which privilege is claimed should not be disclosed. The Houses or their committees may then satisfy themselves whether there is a substantial public interest which would justify their not pressing for disclosure.

5.1.36 Principles and procedures which have previously been put forward as guidelines for the examination of officials appearing before parliamentary committees have laid stress on the need to respect and sustain the conventional role of the public service, and in particular the impartiality expected of it as between political parties, and confidentiality in the advice its members tender to ministers in both the formulation of policies and the taking of decisions for which ministers formally assume responsibility. Thus public servants have been advised that while it is proper for them to answer questions on matters of fact, and to explain what is government policy on a matter, it would not be proper for them to express opinions for or against government policy, or reveal considerations leading to a ministerial or government decision, unless these have already been disclosed or their disclosure has been authorised. The Commission is in broad
R64 agreement with the proposition that a departmental official should not be required or expected to express a view before a parliamentary committee on the merits of a ministerial or government decision or policy.

5.1.37 It accepts also as a general principle that officials ought not be required to divulge the nature of the advice they have tendered to their ministers, at least without ministerial approval. But advice to ministers in this context should not be

1. Commissioner Munro's views on the matters discussed in paragraphs 5.1.34–37 can be found at the end of this chapter.

taken to mean all communications with ministers. The advice which should not be revealed includes opinions and recommendations involved in deliberative and policy-making processes, submissions to Cabinet, briefings to ministers in relation to matters before Cabinet, and consultations with ministers on matters relating to government policy. It would not ordinarily extend to factual data or analyses prepared for the purpose of informing deliberative and policy-making processes. At the same time the Commission believes that in many instances, there would be little justification for not disclosing the nature and content of advice proper, particularly when a decision on the matter to which the advice relates has already been taken. While it recognises the need to sustain and respect the confidential relationship between a minister and his departmental advisers, the majority of the Commission considers that there is a need to reassess the proper ambit of that relationship, having regard not simply to the importance of promoting complete candour in communications between ministers and officials, but also to the essential conditions for effective public accountability.

5.1.38 The above recommendations relate mainly to the giving of evidence by departmental officers about departmental matters. Different considerations may apply where an official witness is appearing before a parliamentary committee to give evidence concerning the exercise of legal authority which is vested in him directly and which he is entitled to exercise independently. Such an official may be a departmental officer, a statutory officer, or a member of a statutory authority. While it is not impossible that Crown privilege might be claimed in such cases by the minister administering the Act from which the officer's authority derives, it would seem to the Commission that if the inquiry being pursued by the parliamentary committee does relate to the exercise of independent statutory powers and discretions, the repository of those powers and discretions may in some cases stand in a more direct relationship with the Parliament than does an officer of a department directly responsible to a minister, and that accordingly the considerations which affect the giving of evidence by public servants do not apply with the same force. Even where the witness happens to be a member or officer of a statutory authority the principal function of which is to advise a minister, it should not be seen as necessarily improper for him or her to express or volunteer opinions on matters of policy, or to disclose and defend advice which has been given to the minister. The authority in question may have been established precisely for the purpose of providing the minister with independent and publicly stated advice. R65

5.1.39 Quite apart from Crown privilege there are statutory provisions which impose on public officers duties of secrecy in relation to specific categories of information and data. Whether such provisions qualify the investigatory powers of the houses of Parliament and their duly authorised committees depends on the terms of the particular provision. Where the statute in question goes to the length of curtailing the power of the courts to require the production of information except for limited purposes, as does for example section 16 of the Income Tax Assessment Act 1936–1973, it may be safely assumed that Parliament has, by implication, curtailed the investigatory authority of its Houses to the same extent. Where an officer appearing before a parliamentary committee has cause to doubt whether evidence sought of him can be properly divulged consistently with his statutory duties, he should be permitted to make objection and seek legal advice on the matter. R66

5.2 MEMBERS OF PARLIAMENT AND THE PUBLIC SERVICE

5.2.1 As part of its inquiry into the 'relationship of the Australian Public Service . . . with the Parliament, Ministers and the community', the Commission has examined the question of communication between members of Parliament and officers of departments of state outside the course of parliamentary proceedings, whether by written correspondence or otherwise. This examination has been addressed principally to:

(a) the handling within departments of inquiries by members of Parliament;

(b) departmental briefing of individual members and of party committees;

(c) pre-election consultations with members of the Shadow Ministry.

5.2.2 In this aspect of its inquiries the Commission has been assisted by studies undertaken for it by Professor Kenneth W. Knight of the Department of Government in the University of Queensland, and Dr Patrick Weller, Research Fellow in the Research School of Social Sciences in the Australian National University. Professor Knight's report on 'Parliamentarians and the Public Service' and Dr Weller's report on 'Public Servants and the Briefing of Party Committees' are reproduced in the Commission's collected papers on microfiche.

Correspondence with Departments

5.2.3 Some of the inquiries which members of Parliament make directly of departments or through correspondence with the responsible minister are on behalf of constituents concerning their individual problems. Others take the form of requests for information and sometimes information which might otherwise be sought by questions in Parliament. Professor Knight's study reveals that there is no consistent practice or expectation that members' requests be addressed to the minister and answered by him. Nonetheless the Public Service Board has suggested to the Commission that 'there would be merit in having well understood arrangements' regarding direct communication between members of Parliament and public servants. The Board has expressed its own views on the handling of members' requests for information as follows:

> '(a) Much will depend on the nature of the request. There will, for example, be occasions when a request by a Member of Parliament amounts to no more than a request for available factual information equivalent to any request from a member of the public. In these circumstances, the information should obviously be provided;
>
> (b) there will be other occasions when the request is sensitive, or where answering it would necessitate the use of substantial departmental resources. In such cases, it would be appropriate to suggest that the member write to the Minister requesting the information;
>
> (c) the officer should, as appropriate, inform his Permanent Head or Minister of a request for information and of the outcome;
>
> (d) care should be taken to avoid unauthorised disclosure of classified or otherwise confidential information, for example, where a breach of personal or commercial privacy could be involved.'

R67 The Commission endorses these guidelines.

5.2.4 The question of how departments should respond to inquiries from members of Parliament cannot be divorced from the broader question of access by the public at large to official information, which is dealt with in Chapter 10.7 of the Report. Quite apart from the various statutory provisions forbidding

disclosure of specific categories of official information, public servants are constrained as regards the information they may disclose by the regulations made under the Public Service Act. The relevant regulations are:

> '34. Any officer shall not—
>
> (a) use for any purpose other than the discharge of his official duties, information gained by or conveyed to him through his connection with the Public Service.'
>
> '35. Except in the course of official duty, no information concerning public business or any matter of which an officer has knowledge officially shall be given, directly or indirectly, nor shall the contents of official papers be disclosed by an officer or employee without the express authority of the Chief Officer.'

The Freedom of Information Act foreshadowed by the Whitlam Government, and outlined by the Interdepartmental Committee on the subject, would have necessitated substantial revision of these regulations, so far as they relate to documents. At the time of writing, however, they stand unamended.

5.2.5 While regulation 35 reposes in the Chief Officer the discretion to authorise disclosure, in practice the policy governing exercise of the discretion is determined by the Minister and ultimately the government of the day. It is, in the Commission's view, desirable that departmental officers be given clear guidance on both the policy to be pursued and the procedures to be followed in dealing with requests for information, but it doubts whether such guidance can be adequately given by 'rules' applying across departments. Each department needs its own rules, related to its individual circumstances, and approved by the responsible minister. This is not to say that there may not be common elements in the several sets of standing departmental instructions. R68

5.2.6 On the basis of the comments he elicited through interviews and correspondence, Professor Knight found little evidence of dissatisfaction among members of Parliament with the treatment by departments of their inquiries and requests. He did, however, find that members often experienced difficulty in locating the officer or section of a department responsible for the matter about which inquiry was made. He suggested that this difficulty was caused in part by an inadequacy of published, up-to-date information about the responsibilities of departments and the division of work within them. Professor Knight also found that members' dealings with the Public Service were sometimes impeded by their lack of familiarity with administrative procedures, and this was partly due to a lack of accessible information about those procedures.

5.2.7 The Commission sees merit in the suggestion that more systematic efforts be made to acquaint inexperienced members of Parliament with the organisation of government and its procedures, but it considers that the primary responsibility for initiating such action lies not with the executive government but with the parliamentary departments. We *suggest* that these departments give consideration to the following proposals, based on some of Professor Knight's recommendations: R69

(a) the 'Government Directory' could be set out in a more detailed form so as to show more clearly the functional responsibilities of senior officials and organisational units;

(b) the proposed 'Commonwealth Record' or another suitable publication could be developed as a means for informing parliamentarians of administrative changes likely to affect the public, so that the advice given or taken by members of Parliament for their constituents is up-to-date and relevant. These two improvements would be of benefit to the public also;

(c) action could be taken to acquaint new and inexperienced members with the organisation of government and its procedures through the preparation of a 'guide for new parliamentarians' showing procedures for obtaining information from the bureaucracy, library services etc, and through courses in the activities of government;

(d) the improved Directory suggested in (a) could be supplemented by circulation of departmental lists showing who deals with particular issues within the department.

We make further suggestions concerning the information needs of members of Parliament in Chapter 10.7.

Briefings of Members and Party Committees

5.2.8 Over recent years senior public servants in government departments have been brought more frequently into face-to-face contact with members of Parliament, not merely in parliamentary committees, but in committees of parliamentary parties and occasionally for briefing of individual members of the Opposition. The appearance of public servants before committees of the Caucus of the Australian Labor Party was a common occurrence in the period 1973–1975. These appearances were always by ministerial direction or with ministerial concurrence, and were for the purpose of informing and explaining to members the background and significance of Cabinet decisions and legislative proposals, before their introduction in Parliament. In some instances, briefings of Caucus committees occurred before Cabinet took a decision.

5.2.9 Such information and comment as we have received on this practice suggests it is desirable for the minister to be present on these occasions to accept the responsibility of dealing with policy elements in the questions asked of
R70 departmental officers. Where the minister cannot attend, as for example in the period 1973–1975 when the government adopted a policy of allowing public servants to appear before parliamentary committees of the opposition parties on request and with the approval of the responsible minister, it would be highly desirable that a public servant attending before a party committee be accompanied by at least one other officer.

5.2.10 In general, appearance by public servants before a parliamentary party committee should always be by ministerial direction or consent and on such appearances public servants should not be expected to conduct themselves differently according to whether the committee is one of the governing party or the opposition party or parties. In saying this the Commission recognises that some matters considered in committees of the governing party and on which public servants will be asked to speak will, at the time, be confidential and not known to the opposition. Nevertheless, the Commission believes that, because public servants employed in departments of state are primarily servants of the Crown and its ministers, they should not be put into a situation in which they are expected to tender advice, as distinct from providing briefings or background

material, to members of Parliament not of the Ministry, notwithstanding that by party rule or convention, the Ministry or individual ministers are in some way subordinate to the collective will of the parliamentary party.

5.2.11 It would, in the Commission's view, be appropriate for a public servant who felt that he was under pressure to exceed the bounds of propriety to communicate his concern to his departmental head and the minister, and after that, if he feels it necessary, to the Public Service Board. R71

Pre-Election Consultations with the Leader of the Opposition

5.2.12 There has been some discussion of the desirability of establishing a practice whereby in the period immediately preceding a general election, the Leader of the Opposition and members of the shadow Ministry meet with senior officials to discuss possible changes in administrative arrangements and personnel should there be a change in government. The very considerable changes made in administrative arrangements following the change in government in 1972, which could not have been fully anticipated by even the most careful examination of pre-election statements of declaration and intentions, meant that the new government found itself under severe time constraints and with less preparatory work done within the administration than was desirable.

5.2.13 In tabling the Annual Report of the Public Service Board for 1973, the then Prime Minister, Mr Whitlam, stated that he as Prime Minister intended that 'The opportunity for such discussions . . . (would) be made available to the Opposition in the periods before general elections'. The Prime Minister went on to say:

> 'Naturally they will not embrace matters of a Party political nature. My object is simply to ensure that should there ever be another change of government the nation's administration will take place as smoothly as possible.'

5.2.14 Before the general elections of May 1974 the Leader of the Opposition sought from the Prime Minister advice on how the proposed arrangements would be implemented and requested that he be permitted to confer with the Chairman of the Public Service Board on the structure and workings of departments. The Chairman subsequently wrote to the Leader of the Opposition to inform him that the Prime Minister had authorised the holding of discussions with the Board. He stated that:

> 'Such discussions would be considered by the Board to be confidential to the parties with the proviso that if the Prime Minister required me to disclose to him the nature of the discussions, I would be obliged to do so. My understanding is that the Prime Minister does not intend to make any such enquiry.'

We understand that, in the event, no discussions took place before the May election and that, because of the unusual circumstances before the general election in December 1975, discussions between the Leader of the Opposition and the Board did not arise on that occasion.

5.2.15 A practice whereby the Leader of the Opposition is afforded an opportunity, before a general election, to confer with the Public Service Board and with the Secretary of the Department of the Prime Minister and Cabinet, and shadow ministers with heads of relevant departments, is in the Commission's opinion desirable. If adopted, the practice should be on the basis that the R72

discussions will be limited to changes in administrative arrangements contemplated by the opposition and which might be necessitated by its policies. Further, the Commission is of the opinion that it should not necessarily be limited to apprising the officials concerned of the opposition's intentions—the officials should be free to tender advice as if they were advising the relevant minister. It is important that an opposition developing its views on administrative arrangements should do so with a sound understanding of administrative practice and practicalities.

5.2.16 The Commission agrees that such discussion should take place only after a request in writing has been made to the Prime Minister and the Prime Minister has acceded to that request. If the discussions are seen as an occasion on which the Public Service Board and the Secretary of the Department of the Prime Minister and Cabinet might properly offer advice and comment to the Leader of the Opposition, or departmental heads to shadow ministers, an assurance of confidentiality would be essential. Such an assurance would not, however, be incompatible with the recognition of the Prime Minister's right (or that of a minister in relation to his own department) to seek and obtain from the officers involved a report on the general nature of the discussions in order to satisfy himself that they had not been used for purposes beyond those agreed.

The following reservation has been expressed by Commissioner Munro on the matters discussed in paragraphs 5.1.34–37:

> Parliamentary access to information possessed by the executive raises similar issues to those posed by community access to such information. The Commission is not unanimous in its analysis of recommendations concerning community access to information (see Chapter 10.7.22). Discussion of guidelines for application of Crown privilege to parliamentary investigations of administrative activity has resulted in a similar division of opinion.
>
> I question the value of seeking to apply the rule of law relating to Crown privilege in the context of the executive's obligation to disclose, or entitlement to resist disclosure of, information other than in adversary proceedings before courts of law. Generally speaking, courts have sought to determine claims of Crown privilege by weighing the public interest in 'efficient administration' against the public interest in 'proper administration of justice'. Increasingly courts have displayed a willingness to override claims of Crown privilege based on general assertions of the needs of efficient working of the administration. Thus, since the House of Lords decision in *Conway* v. *Rimmer*[1] the need to preserve candour in communications between officials could scarcely be regarded as sufficient in itself to prevent a court from forcing disclosure of particular information. Nevertheless, as a rule of law crown privilege connotes a residual presumption of executive autocracy and explicitly involves in the course of adversary proceedings a judicial balancing of competing interests in the administration of justice and the administration of the executive. When similar issues have been raised in a different legal form *per medium* of action to restrain breach of confidence, a capacity has been revealed for legal principle to be less constrictive of disclosure of information about executive activity.[2] Parliament might well be able to exploit and expound the existing body of law relating to

1. 1968 A.C. 910.
2. *Attorney-General* v. *Jonathan Cape* 1975, 3 W.L.R. 606; Pearce: The Courts and Government Information (Private Paper) ANU Law School, 1976.

crown privilege to produce a more satisfactory basis for dealing with claims of executive privilege in the course of parliamentary investigations. However, legislation conforming with the policy bases of the draft Freedom of Information Bill would be a surer means of producing a satisfactory system of access to the executive's information not only for parliament but for the community.[1]

1. See Appendix 2.A.

Chapter 6 The Administration and the Community

6.1 INTRODUCTION

6.1.1 Historically there appears always to have been some tension, and frequently conflict, between the community (or at least parts of it) and governments and their servants. This tension is an aspect of the division of society between the governors and the governed; between citizens and the state; between those with and those without power. So long as the conduct of government results in these divisions, tension may well be inevitable. It is possible to conceive of government without such divisions probably only in societies which are small enough for decision by consensus to be practicable and natural. Certainly in large and socially complex societies in which governments perform widely ranging functions and provide a multiplicity of services, decision by consensus is in some matters impracticable, and highly organised bureaucracies with special skills are required. In such societies the gap between the citizen and the state is very apparent and difficult to bridge.

6.1.2 To some extent this difficulty reflects the fact that the gap is functionally necessary. Within a complex community there will be many interests and many opinions, often conflicting, to be considered in any decision affecting that community or a part of it. It is the function of government to resolve or overbear these conflicts and to make decisions. The affairs of the community could not proceed otherwise. Similarly the government, in providing services for the community, must contain its use of resources within limits which are real, although opinions will vary from time to time about the severity of these limits. It also has to allocate these scarce resources according to a set of priorities for which it must take responsibility and not necessarily according to the wishes of any particular individual or group. Again, it is the function of government to decide, but such decisions as are translated into practice inevitably demonstrate the 'gap' or distance between the government and the governed, and so invite tension.

6.1.3 However it is the relationship of the community with the government's servants—with the administration—which concerns us primarily. Naturally, the community does not always differentiate sharply between the elected government and its officials. Dissatisfaction with one is likely to breed dissatisfaction with the other. Yet some of the tension to which we have referred is directed specifically at the administration and derives from a conviction that it acts as a barrier to, rather than an instrument of, communication between the community and its government. We have noted in Chapter 2 a growing demand that the governed should participate in the work of the governors: that power should be more effectively and more widely shared. It is the power of the bureaucracy rather than that of Parliament or the government to which this demand is primarily directed.

6.1.4 We noted also in that chapter that this demand is in part a challenge to the traditional exclusiveness of the relationship between officials and their minister in

the tasks of informing and advising him on matters about which he has to decide. But the demand is directed also to the power that officials exercise as managers and administrators of programs, services and other activities where officials act to a significant degree in their own right but also as agents of the minister.

6.1.5 In terms of the stereotyped formulation of the doctrine of ministerial responsibility, it is only through the minister in person that public pressure is exerted on the administration. However, as indicated earlier in the Report, we do not consider this formulation an accurate description of the facts or that it would today provide effective ministerial responsibility. Nor would it provide a basis for an administration which performs its tasks effectively and in a publicly understood and acceptable way. Above all it will not satisfy the demands from sections of the community for a share in the power exercised by the administration.

6.1.6 The arguments on which this demand for power sharing rests are threefold. First, that it would make government more effective: that members of the community can bring knowledge which is more intimate than, and frequently an expertise which is superior to, that possessed by the bureaucracy; that programs managed without the participation of those to whom they are directed have a notorious record of failure. Second, that participation is a valuable end in itself and should be seen as an important, if subsidiary, objective of all government activities. Third, that by skilful devolution and decentralisation of administrative procedures and the use of modern technology it is possible even in large and complex societies to come closer than ever before to situations where decisions can be made substantially by consensus among those primarily concerned. The Commission believes there is some validity in all these lines of argument.

6.1.7 Unfortunately the benefits of community participation must be weighed against other considerations. In the first place, participation is not easy to organise fairly and effectively. Those who seek it may be more concerned with their own interests than those of the community generally. Even those who are well motivated are not necessarily expert or well informed. Those who speak up may have as little or even less effective communication with their inarticulate fellows than do officials. Secondly, 'participation' is sometimes used as a device to 'buy off' independent sources of criticism and pressure for changes in policy. Where this 'co-option' occurs there may be a net loss in the political vitality of the community. Thirdly, the demands for participation frequently lead officials to devote their ingenuity to devices which are imitations of or substitutes for participation—being designed rather to 'make people feel' that they are being consulted or are participating. The introduction of such pseudo-public-relations techniques can ultimately have the effect of seriously alienating the community from the bureaucracy. Finally, arranging effective participation involves costs in resources and in time. By what calculus can the benefits be weighed against the costs?

6.1.8 In the end the official must be guided by the weight his minister attaches to various forms of participation, but in turn it should be recognised that in making a judgment the minister will be influenced by departmental advice and that, in practice, much will be left to decisions by officials themselves. We suggest in Chapter 2 that an official should see it as proper to be 'responsive' to those who

seek to participate: at least to perform his tasks in more open style, to be accessible and to be a good listener; behaving in effect as if his accountability to the minister required also, as does the minister's, an accountability directly to the community.

6.1.9 In this chapter we seek to explore the implications of such a style of behaviour of officials towards the community. In doing so we will be particularly concerned with its impact on the work of officials:

(a) as managers and administrators of programs, activities and services which bring some of them into direct contact with those at whom these activities are directed (section 6.2);

(b) in their role as sources of information and advice to ministers (section 6.3).

In the subsequent chapter we look at the possibilities of increasing both efficiency and participation by greater devolution and decentralisation of the Commonwealth administration.

6.1.10 To provide an adequate basis for its deliberations Commission has given high priority to studies of the relationship between the administration and the community. It obtained information in two complementary ways: one by examining the comments which many people conveyed to the Commission on their own initiative; the other by arranging for methodical studies of opinion, behaviour and influence of a range of clients and employees of the administration.

6.1.11 As part of the first method, public hearings of witnesses throughout Australia helped clarify the many written submissions made to us. Another series of meetings, on the lines of a public forum with consumers of Commonwealth government services, was organised at our request by the Australian Council of Social Service (ACOSS) in what was termed the ParticipACTION project. A task force investigating a regional basis for Australian government administration held discussions with many people in the four regions it studied. Each of these proceedings naturally tended in the main to uncover views highly critical of the administration, indicating the intensity, though not the frequency, of such critical opinion.

6.1.12 To obtain more broadly based quantitative evidence we engaged consultants to study the potential and actual influence of interest groups on departmental work and the views of those receiving welfare benefits about the delivery of these services and their access to them. Assisted by consultants, Commission staff investigated problems of individual access to five government programs and possible ways of overcoming them, while another staff project attempted to measure the relative responsiveness of Commonwealth departments to letters of inquiry.

6.1.13 This range of investigations has led the Commission to the conclusion that many of the complaints made to us about the quality of the delivery of government services are justified, and, more fundamentally, that there is a need for officials to re-appraise their attitudes towards community opinions, pressures and demands for wider participation in the affairs of government and towards the responses and opinions of those for whose benefit services and programs are conducted.

6.2 COMMUNITY ACCESS TO SERVICES

Improved Service Delivery

6.2.1 Many of the complaints and criticisms the Commission heard from the public about the administration concerned the quality of service that the administration gives. In these cases there was no specific demand for an increased role in decision-making or giving advice: people simply wanted to be assured that their benefit cheque would arrive on time, that they could appeal against a decision which affected them adversely, and that they understood the procedures they have to follow in order to receive a benefit or service. It was in an endeavour to quantify in the best way possible the experience and views of both sides—the public contact staff and the individual members of the public—that the Commission sponsored a program of 'access research'.[1] The theory of 'access' has been developed largely by Dr B. B. Schaffer of the Institute of Development Studies at the University of Sussex, who assisted the Commission in many aspects of its investigations. This theory is concerned with relations between the administrative allocation of goods and services and the people who use them or for whom they are intended. It reviews the way in which programs are translated into action through institutional rules and procedures, and the effects on the actual or potential clients of rules about significant matters such as eligibility and priority of handling requests. It is concerned also with the staff who actually meet the public, and with the situations in which those meetings take place—offices, counters and so on.

6.2.2 The Access Research Program consisted of a survey of staff and clients of a number of government offices which have substantial dealings with the public. Although the findings of this survey are largely related to assistance to individuals through welfare programs we believe they have wider application.

6.2.3 Possibly the most universal complaint from users of the services surveyed was about the time involved: time taken to receive attention; time taken to get matters sorted out when something had gone wrong; and time elapsing before the service applied for was delivered. It emerged that people are more likely to complain about the inadequacies of the underlying administrative arrangement of programs—the complexity of the forms, the slowness in processing and the delay in receipt of cheques, etc.—than about the public contact workers, although a fair proportion of the matters people 'would have liked to complain about but hadn't' included the behaviour of public contact staff. Apparently the public is able, within the limits of the information available to it, to discriminate between the individual public servant contacted and 'the system'. To some extent, this may simply be a result of the contact worker 'passing the buck' to the unseen management group, but it seems more likely to us that it represents an accurate perception of the inadequacies of the arrangements through which programs are carried out.

6.2.4 This is not to say that there have been no complaints made to the

1. The Report of the Access Research Program, which was conducted by Elizabeth O'Keeffe of the Commission's staff, assisted by D. Bensley and Associates and by Dr Schaffer, can be found at Appendix 2.C.

Commission about public contact workers. The ParticipACTION report[1] found that:

> 'by far the greatest number of complaints related to counter staff, the point at which most people have direct contact with government. Counter staff were criticised on the following grounds: rudeness, intolerance; displaying sexist and racist attitudes; being intimidating; giving incorrect information; referring without any explanation.'

But the report went on to detail other grounds of complaint more directly related to the mechanisms of service delivery, which were not the responsibility of individual contact officers:

> 'offices closing up over lunchtime; lack of privacy at the counter; having to queue up in long lines; having to wait unreasonable lengths of time for service.'

The recommendations of the families involved in the Brotherhood of St Laurence's Family Centre Project[2]—'prevent lost files', 'pay cheques weekly rather than fortnightly', 'advertise more openly'—were a further indicator of felt inadequacies in the system.

6.2.5 Awareness of deficiencies is not confined to members of the public. Many individual public servants came to the Commission to tell of their own feelings of inadequacy and frustration at the standards of service they were able to provide. In their submission to the Commission, a group of social workers said:

> 'In trying to deal with these matters on behalf of our clients, we have experienced the frustration of trying to deal with a large, inefficient system. We submit that much of this is the end result of inadequate structures and procedures for discharging the work of the department, rather than a deliberate attitude of personnel'.[3]

In the main Access Survey, 73 per cent of staff interviewed thought that 'frustration with departmental procedures' would be a significant factor contributing to loss of staff. Staff also reported dissatisfaction with the support they received from their superiors. An efficiency review of the operations of the Department of Social Security benefits administration made by W. D. Scott and Co. Pty Ltd for the Department and the Public Service Board showed that a typical application for a pension or supporting mother's benefit, and the papers associated with it, is transported 27 times between different parts of the office before a decision is reached and conveyed to the individual concerned. Although there may be some extenuating circumstances, as when there is a need for the application of the special skills of an expert in the office, this cannot make for speedy processing.

6.2.6 These findings suggest that more is needed than simply an upgrading of those who work in direct personal contact with members of the public. They suggest that the contact worker should be a person with authority to make decisions in the same way as can social workers, legal officers and medical officers in relation to their clients. In some cases this *will* involve an upgrading in the level of public contact staff and the provision of a career structure for public contact work. More often, we consider it will require a change in the internal

1. Published by ACOSS, and available with the Commission's Collected Papers on microfiche.
2. The report of this project is also available on microfiche.
3. Submission No. 416.

administration of many offices, with the less experienced support staff working to the contact worker who is dealing with the client rather than being themselves the ones 'at the counter' as at present. We believe that reorganisation of work along these lines should not increase the cost of administration, but instead will reduce the time and costs involved in public attendance at the office and the extravagance of multiple handlings of the kind illustrated in the Scott report (see paragraph 6.2.5). Administrative arrangements for programs have too often seen members of the public as literally 'the end of the line' rather than as 'the focus of attention'. More senior people do not deal directly with the public, but simply 'make decisions': accordingly, the lowest and least experienced grades deal with the public and the higher grades issue the verdict, usually after the 'client' has left the office.

R73 6.2.7 We *recommend* that arrangements for all programs which involve direct contact between a member of the community as 'client' and a member of the administration be reviewed with the object of making the point of contact with the member of the public the point of decision also unless there are unusual considerations to be taken into account. Where the officer meeting the client is simply a processor of information through such activities as ensuring the correct completion of forms, there is often criticism. It will persist until the officer dealing with the public has sufficient status to be able to reach the decision after consultation with the individual concerned in all cases which do not involve special or unusual features. In the context of the review of departmental procedures, we commend for consideration the points made in the Access Report about ways in which such procedures could be improved to the benefit of both the individual and the administration.

6.2.8 To deal with members of the public requires particular attributes and skills. Despite this, 33 per cent of the inquiry staff questioned in the Access Survey answered in the negative the question 'Do you feel you have had adequate preparation for the job you now hold?'. A surprisingly small proportion of such inquiry staff have any but 'on-the-job' training, although those with higher educational qualifications have more often attended training courses. However, a quarter of those who were given training of some kind felt that it had not really helped them in their day to day dealings with the public. One of the recommendations made by clients of the Commonwealth Employment Service contained in the report 'Claimants or Clients' (by the Brotherhood of St Laurence) was that:

> '(The Commonwealth Employment Service) should get people who know all about it and should not get nasty to people who cannot read and write.'

6.2.9 The comment reflects very succinctly the dual inadequacy of public contact staff training: the failure to equip staff with a sufficient knowledge of departmental procedures and the failure to train them to deal with the people they will encounter in their work.

6.2.10 The Commission has also been made keenly aware of the central importance of information in the relationship between the community and the administration. People need information about their eligibility and entitlements so that they can get access to services. They need information about procedures so that they can understand what is going on when they are dealing with the bureaucracy. Public servants need information from their superiors when they

are dealing with the public so that they can give a prompt service on the spot. The following quotation from a submission to the Commission illustrates well the feelings of public contact staff about inadequacy of information:

> 'In many offices there is no communication between higher and lower grade officers . . . we have to confess our ignorance and the public assumes this is just an example of our inefficiency.'[1]

Regrettably, much of the information at present distributed by departments is of relatively little use. The public does not need, for example, general pamphlets pointing out the existence of a welfare benefit, but rather more detailed information about who might be eligible for benefits, where to go to get it, and what documents must be produced when an application is made.

6.2.11 The Access Report, reproduced at Appendix 2.C, makes a series of detailed recommendations designed to improve the training and career opportunities of public contact staff, and to ensure better and more relevant information is given to clients.[2] It also discusses the special needs of people with a limited command of English, and the importance of the physical surroundings of the office. We generally endorse the report's conclusions (at paragraph 28) and *recommend* that departments which are involved in service delivery and other contact with the public study them carefully and take steps to achieve their purposes. R74

6.2.12 Ineffective communication between contact staff and other parts of the administration leads also to failures to adapt that administration so that it can perform more effectively. The Access Report indicates that in the Melbourne city office of the Department of Social Security which handles unemployment and sickness benefits, client difficulties arose predominantly from a high incidence of lost, late or disputed cheques. The report says that:

> 'the Department's system of coping with the problems of clients with lost or late cheques is painfully slow, in some cases making it necessary for clients to come into the office for several days in succession . . .'

Clearly, such delays must put strain on the ability of contact staff to deal with all types of applications and inquiries. The remedy must lie first in a prompt recognition by senior management that weaknesses exist in the system of issuing payments, followed by action both to improve the system and to alter the method of staffing at the point of contact so that business can more often and more effectively be handled at that point. The remedy lies second in ensuring that the public are aware of the machinery available for receiving and handling complaints.[3]

6.2.13 Another example of such failure to adapt is in the continuing high proportion of cases where appeals by clients against adverse decision on their original applications for benefits were upheld by the department in a first review. The figures were so high as to suggest inefficiency involving ineffective delivery of the services, and waste of the staff's working time. It is distressing that while contact staff were aware of these problems they seemed unable to indicate action

1. Submission 568, Ms E. Moyse, Nelson Bay, NSW.
2. See also Chapter 8.4.51.
3. See paragraphs 6.2.18–26, and the recommendation in the Access Report for an 'office ombudsman'.

to solve them, and that more senior staff remained either unaware of their frequency or unconcerned or inhibited in gearing the organisation to deal with them.

6.2.14 Additional evidence of inadequate communication between contact staff and those who make decisions on the issues which in the first instance are presented to the contact staff is the apparent absence of 'feedback' of information. The Access Survey found that contact staff are too rarely informed directly of the outcome of cases they pass on for decision. Furthermore they seldom have an opportunity to report on the attitude of their clients to the content of programs or the procedures for administering them. More systematic procedures are necessary to involve counter staff and voluntary agencies in periodical reviews of procedures and facilities.

6.2.15 The Brotherhood of St Laurence advised that one of the problems felt by welfare beneficiaries is that they are unable, from their side of the counter, to obtain access to the administering department on a basis that will produce a review of policies or procedures. Although the incidence of such cases is not high, they are important to the individual and to the department. Accordingly, we
R75 *recommend* that an advisory board, with local outposts, be appointed along the lines suggested by the Brotherhood, to assist departments involved in service delivery to respond more actively to weaknesses in procedure at the point of contact.[1] The board would investigate issues, question departmental officers, welfare workers, voluntary agencies and others and provide advice on changes desirable or proposed in legislation, procedures, etc. Its work could prove as important to departments providing services as, for instance, industry panels are to the Department of Industry and Commerce.

6.2.16 Another aspect of departmental dealings with the public which has been studied is the handling of letters of inquiry. Members of the Commission's staff conducted a pilot administrative responsiveness survey[2] to compare the mailed responses to a group of identical letters sent to selected Commonwealth and State departments and to a selected group of large business firms. Delay was in all instances characteristic of the response. The survey found that Commonwealth agencies were slower to respond than both State government departments and business firms—but that the replies, when they came, tended to be more helpful. It seems also that there was a smaller proportion of replies to correspondence from women signatories than from men, and that Commonwealth (and State) departments reply to a smaller proportion of handwritten (that is not typed) letters than do private firms.

6.2.17 In addition, the Commission itself had an opportunity in the course of its work to observe at first hand the standard of attention given to written communications. In the course of the public meetings arranged by the Australian Council of Social Service, a variety of criticisms and complaints was offered. The Commission staff brought together those directed at the work of various departments, which were given the resulting information. The departments were requested to inform us of their reaction and of any action taken. Only half of the

1. In Chapter 10.3 we recommend the establishment of a Department of Social Welfare to co-ordinate activities in the health and social welfare fields. This Department would be the appropriate agency to appoint such a board.
2. See Appendix 2.E.

departments responded within a month, and several took upwards of three months. Some of the replies failed to provide an adequate answer: there was often a reference to another agency, but without indicating its views or offering to co-ordinate inquiry or action. The Commission gained a strong impression of reluctance to entertain the possibility that complaints might provide grounds for review of original decisions, of policy or of procedures. Staffing problems were often mentioned as the main reason for poor performance but rarely the substance of programs or the rules and procedures by which they were administered. The Commission found departmental responses profoundly disappointing. We draw the results of the 'administrative responsiveness' survey and the Commission's own experience to the attention of departments, and recommend that they review the procedures by which correspondence from individual members of the community is dealt with and supervised, especially in instances where more than one department or agency may be involved. R76

Grievance Procedures

6.2.18 In the previous section of this Chapter we have urged that experience derived from interaction with the community at the point of delivery of a service can be an important stimulus and guide to improved organisation and personnel practice. In this section we consider what non-departmental facilities should exist to ensure that clients seeking access to government programs or services in fact obtain the access to which they are entitled.

6.2.19 Studies sponsored by the Commission make clear that this is an important issue and that there is much dissatisfaction with the present performance. Many of the visits that individuals make to departmental offices are to seek help in making an effective claim or to lodge a complaint about an alleged inadequacy. More than half those with complaints interviewed in the Access Survey expressed doubt about the usefulness of making a complaint, and a fifth said they did not know where or how to lodge a complaint. This is a large proportion, and the frustration it reflects must contribute to doubt about whether the department is really organised to care for those it exists to serve. Apart from the changes designed to improve departmental procedures referred to in the previous section of this Chapter, the Commission believes that there is a need to strengthen the means available to clients and potential clients to have their complaints heard and dealt with. In this section we consider the following possibilities:

(a) a greater role for the local member of Parliament;
(b) the appointment of an Ombudsman;
(c) an extension of administrative appeals machinery;
(d) reform of legal remedies for administrative defaults.

6.2.20 *Role of the local member of Parliament:* The role that the local member can perform in assisting people having difficulty with the administration was emphasised by the results of the Access Survey. It showed that the clearest measure of priority is given to cases referred by members of Parliament. The overwhelming majority of staff (96 per cent) included in the Survey believed that people referred by members of Parliament are adequately catered for; 24 per cent of staff also believed that such people receive priority from the department. Yet the Survey showed that only 1 per cent of clients interviewed in fact sought assistance in this quarter. Surveys both in Australia and overseas suggest that less

than half the people questioned are aware of the role of the member of Parliament in taking up grievances on behalf of people in the electorate. It is likely that those most in need will be among the people unaware of this role.

6.2.21 It is not for the Commission to judge what reliance should be placed on this function of members of Parliament. But if this role is seen as an important element in enabling members of the community to make effective complaints, then it is necessary that the member's role in this respect should be more generally known and that he should be given sufficient support to enable him to perform it adequately. In this connection, we note the recommendation by the Remuneration Tribunal in its 1975 Review that research assistance be provided through the allocation to each of the recognised political parties of a reasonable number of research assistants for allocation to private members. A similar
R77 provision relating to 'grievance' work in the electorate might also be considered.[1]

6.2.22 *Role of the Ombudsman:* Machinery to redress grievances can only be peripheral in its effects. Unless administrative procedures are working smoothly such machinery will simply drive resources away from the main tasks. The suggestions we have made in the previous sections were directed to improving the procedures themselves and so reducing the probability of complaints. It is nonetheless important that there be well known, well understood, simple and expeditious machinery for receiving and dealing with complaints when they arise, and equally important that this machinery be utilised as a means of drawing attention to deficiencies in administrative
R78 procedures. For this reason we *recommend* that the Ombudsman Bill be debated without delay, and that an appointment be made as soon as possible after the legislation is passed.

6.2.23 *Administrative appeals:* The Administrative Appeals Tribunal Act 1975 has provided the framework for a comprehensive system of review, by way of appeal, of administrative decisions made in exercise of powers conferred by enactment. At present the jurisdiction of the Tribunal established by the Act is limited as regards the decisions capable of being reviewed by it, though this jurisdiction may be extended over time. It appears, however, that without amendment of the Act itself, the Tribunal can only be given jurisdiction to hear and determine appeals against decisions in exercise of powers conferred by legislation. This means that where a program, for example, for the provision of cash or other benefits, is introduced but is not founded on legislation (other than a parliamentary appropriation), decisions taken by officials administering the program could not be the subject of appeal to the Tribunal. We see this as a singular deficiency in the system of administrative appeals, particularly when it leads to a situation in which one class of beneficiaries is secured statutory rights of appeal, but another related class is denied such rights merely because the program which concerns it happens to be founded on Cabinet decision and quasi-legislative administrative rules, for example, the National Employment and Training (NEAT) Scheme. While recognising that there are very real difficulties in adapting a statutory administrative appeals system to encompass programs of the latter type, we believe that where such programs are introduced which

1. See Chapter 5.2.6–7 and 10.7.26–27 for discussions of the information needs of members of Parliament.

resemble programs founded on legislation under which applicants and beneficiaries do have the right to appeal against administrative decisions, the rules for the administration of those programs should provide avenues for the review of decisions. Specifically we *recommend* that where administrative quasi-legislation authorises the grant of benefits or services to persons satisfying prescribed conditions of eligibility, it should also provide that persons aggrieved by decisions may appeal to a designated person or body. R79

6.2.24 If this change is made it will enhance the role of the Tribunal as an important protector of the rights of citizens in relation to decisions made by Commonwealth officials. It would appropriately broaden the senior membership of the Tribunal if the provision that only legal practitioners are eligible to become presidential members were to be modified to allow full membership of the Tribunal by those at present qualified for appointment only as non-presidential members. The trend to broaden the eligibility requirements for bodies with arbitral rather than judicial functions, illustrated by the recent change for presidential members of the Conciliation and Arbitration Commission, is in the Commission's view wise, and we *recommend* that a suitable opportunity be taken to revise in this way the present limit on eligibility. R80

6.2.25 *Legal Remedies:* While the establishment of the Administrative Appeals Tribunal and the establishment of the office of Ombudsman are, in our view, necessary and welcome improvements in the machinery available to citizens to obtain independent and impartial review of administrative action, it is clear that there is still considerable scope for reform in administrative law as it affects the citizen in his relations with the Commonwealth government and its instrumentalities, and in the procedures for judicial review. The Commission has not taken upon itself the task of making a comprehensive and thorough review of this branch of the law. In relation to remedies available for seeking judicial review of administrative action, it notes the recommendations of the Commonwealth Administrative Review Committee (1971) and those of the Committee of Review on Prerogative Writ Procedures (1973), and would itself *recommend* that action be taken without delay to simplify the procedures for originating applications for judicial review, so far as this can be done consistently with the Constitution. R81

6.2.26 The Commission also received suggestions concerning a number of shortcomings in the substantive law governing the availability of remedies for administrative faults and excesses, arising in some instances from the application of private law principles and analogies which are not always appropriate. Examples brought to notice include the so-called rule of 'independent discretion', according to which the Commonwealth is not held vicariously liable for torts committed by Commonwealth officers exercising independent statutory discretions; and restrictions placed on the recovery from the Commonwealth of unauthorised exactions, or of property voluntarily delivered to the Commonwealth pursuant to invalid legislation. There is also the more general question of the availability of damages as a remedy for losses sustained through administrative action, notably action which is taken without legal authority. Matters such as these might, we believe, be the subject of investigation and report by the Law Reform Commission, and so far as they come within its terms of reference by the Administrative Review Council to be established under the Administrative Appeals Tribunal Act 1975. R82

The Role of Voluntary Agencies

6.2.27 There are occasions when the purposes of government can be better achieved through the work of agencies which are non-governmental. Although there is a risk that governmental support may bring the voluntary agencies into the category of quasi-governmental bodies by the process of co-option mentioned earlier in this chapter, these agencies can, if they preserve an essential separateness, often afford greater protection of the privacy of citizens and introduce more flexibility and humanity into the administration of some programs than government agencies.

6.2.28 The key question about the use of voluntary agencies is to determine in what circumstances they will perform a function better than any of the government agencies. Apart from work done by the Health-Welfare Task Force[1] we have been unable to make the inquiries necessary to establish definitive criteria for such a judgment. It seems probable however that reliance on
R83 voluntary agencies is most likely to prove satisfactory when:

(a) an agency that has reasonably wide coverage already exists, (for example, a national body such as the Australian Council of Social Service or an agency in close touch with clients, such as the Brotherhood of St Laurence) and is doing a part or the whole of the job the government wishes done—especially where there is evidence that it may bring to bear a dedication and involvement not readily achieved by officials;

(b) aspects of the job to be done make it difficult for officials to perform: for example, when knowledge of the private lives of individuals is required or where the personal qualities required of those performing it can be found only among those with a special vocation;

(c) knowledge and skills arising from membership of particular sections of the community are called for, for example, in bodies like the Regional Councils for Social Development and Marriage Guidance Councils;

(d) it is cheaper to subsidise a community organisation rather than establish a government agency.

6.2.29 If functions are to be entrusted to voluntary agencies, it will be necessary to consider:

(a) how financial support is to be provided and reviewed;

(b) how the work of the agencies is to be monitored;

(c) how the essential character of the agencies is to be protected.

6.2.30 To grant financial support in ways which meet the requirements of parliamentary control of expenditure and yet do not encroach on the essential independence of the voluntary agency involves a dilemma difficult to resolve. Much the same problem will arise in relation to the review of the effectiveness of programs the agency administers, particularly as the voluntary agency may have a different order of priorities in relation to the program and those to whom it is directed than that of the government and its officials. The following objectives are suggested as a guide to practice in departmental dealings with voluntary agencies
R84 to which functions are entrusted:

(a) the independence of the voluntary organisation should be respected;

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1. See Appendix 4.C.

(b) the purposes for which the grant is made, the standard of services expected, and the terms and conditions on which it is made should be clearly stated;

(c) the finances of the agency should be audited by a professionally qualified auditor chosen by the voluntary agency, and the Auditor-General should, on request of the 'parent' department or the agency, conduct occasional checks or audits (in this connection we endorse the comments of the Public Accounts Committee in its 17th and 26th Reports about the need to publish the amount provided while leaving the agencies as free as possible);

(d) details of grants should be made public. A full listing of grants by categories might be made in a special paper produced annually, for example, in a further section of the annual Budget Paper 'Payments to or for the States and Local Authorities', and details of recipients of grants might be included in the relevant department's annual report—for example, State or regional branches of the agency might be listed;

(e) the parent department from time to time should make, or arrange for, reviews of the activities of the agency or agencies which receive grants, with an assessment of their effectiveness and compliance with the conditions of the grants. The department should include the results of these assessments in its annual reports.

6.2.31 The Commission has received suggestions that a clearing house be established to receive applications for assistance from all voluntary agencies and ensure that the requests are considered by all relevant departments rather than only by the department receiving the request, as appears normally to be the position at present. It is not clear how far this need is related to the special circumstances of the past three years, during which the scope, direction and amounts of aid available for voluntary agencies have been subject to considerable change. This has produced some questioning and confusion among both the older established agencies and the newer bodies such as the Regional Councils for Social Development and those they assist. As indicated, we have not had the time or resources to make a proper inquiry into the important policy and administrative issues associated with the provision of government aid to voluntary agencies. These questions could well be explored more fully by the Department of Social Welfare which we propose (see Chapter 10.3) to co-ordinate and rationalise the programs and administrations of the individual welfare departments and agencies. R85

6.3 RESPONSIVENESS IN THE ADMINISTRATION

6.3.1 It follows from our comments in the opening paragraphs of this chapter that we consider officials generally can and should make a better job of listening to members of the community, of advising their minister on what they hear and of responding to it themselves. In what follows, we address ourselves to ways in which this can be achieved.

6.3.2 Generally there are two complementary approaches to this issue. The administration can develop special structures designed to facilitate the interaction or it can rely on better performance from departmental officers resulting from better motivation, training, and organisation. The special structures can take the form of statutory bodies such as the Universities Commission, the Industries Assistance Commission or the Grants Commission; or they can take the less formal shape of the non-statutory bodies we have referred to

in Chapter 4.3, for example, the many advisory committees associated with the Departments of Education, Transport and Industry and Commerce.

The Use of Special Structures

6.3.3 In systems of government based upon the Westminster model the primary means open to members of the community of influencing the administration is by representations to the local member or to a minister. We have noted in Chapter 2 the increasing tendency to organise groups to exercise such influence more effectively and to persuade others to lend their support also. We note also that the government itself has over the years established a variety of institutions designed to enable some of these groups to function more effectively. More recently there has been a growing tendency on the part of government to depart more significantly from the simplicity of the relationship between the minister and his department and to establish other channels through which the minister can be informed and advised. In some important instances these changes have been designed both to bring to bear upon the problems of policy an expertise more professional than that of the departmental official and to involve those likely to be affected, either as instruments or beneficiaries, in the policies themselves. They can therefore be seen as attempts to adapt the Westminster model to an increasing community desire to participate in decision-making processes and also to draw upon a wider range of professional knowledge and skills than it is practicable or politic to maintain in the administration itself.

6.3.4 The institutions established for these purposes vary widely. Factors which appear to have influenced their form and function are:

(a) the field of policy concerned;
(b) the degree of professional skill involved;
(c) the importance of the groups and organisations affected;
(d) whether such groups and organisations are concerned with national or regional issues.

6.3.5 Not all these institutions have been equally successful. Certainly problems have emerged between them and traditional departments about their respective roles, about the degree to which the non-departmental institutions are free from the financial and other disciplines and constraints which bear upon departments and about the lines of their accountability to ministers. Nevertheless they represent significant experiments in the machinery of government, and whatever the immediate future holds for them they will continue to influence the long-term development of the bureaucracy. As an illustration of the range of such institutions, we briefly look at the activities of the Commonwealth Grants Commission, the Universities Commission, the Schools Commission, the Social Welfare Commission and Regional Councils for Social Development.

6.3.6 *Grants Commission:* One of the earliest of such institutions is the Grants Commission, established in 1933 to inquire into and report on applications by State governments for grants of financial assistance to States which are referred to it by the federal government. From 1973–1976 the Commission's functions were extended to the consideration of applications for grants from local governments made through approved regional organisations ('Regional Organisations of Councils'). The 4–6 members of the Commission are chosen to ensure objectivity and a range of expertise on the finances of the smaller states and of local government, though this is by custom rather than requirement.

6.3.7 The Commission conducts public hearings throughout Australia and, particularly since 1973, has heard many representations from members of the public and local government representatives (136 in 1974–75) on the level of fiscal equalisation grants. The Grants Commission itself is aware of limitations on its system of public hearings—witnesses are required to travel to central points and Commissioners rarely have the opportunity to inspect problems in local areas. These limitations are caused by constraints of time and resources rather than unwillingness to investigate the range of detail and idiosyncratic problems of local councils. The Commission's recommendations to the government for financial assistance grants have always been accepted.

6.3.8 *Universities Commission:* The Universities Commission advises the Minister for Education on financial assistance and general policy matters relating to universities. It includes up to 8 part-time members: none of these is officially representative of the 'client groups' although 4 of the present board are from universities. In its reply to our questionnaire sent to statutory bodies (see Appendix 1.K) the Commission replied that membership 'has been based in the first place on individual capacity to contribute to the work of the Commission'. It went on:

> 'The Commission would not favour members appointed as representatives of special interest groups . . . representation of some of these groups . . . would lead to demands that all groups be represented and produce an unworkable situation.'

The Commission visits universities in preparing reports but does not normally advertise for submissions, leaving it rather to the university to inform interested groups who might prepare submissions. It does not hold public hearings, but in preparing its last report had discussions with about 600 people.

6.3.9 *Schools Commission:* The Schools Commission advises the Minister for Education on financial assistance for schools and on their needs and problems generally. Its Act contains no special provisions for representation of particular interest groups on the Commission but in practice influential State-based groups such as State education departments, teachers associations, independent schools and the Catholic Education Office are represented by part-time members. There have been unsuccessful attempts to establish State Advisory Boards as sources of suggestions and information. Some criticism has been made to the effect that the 'representativeness' of the Commission is motivated more by desire to conciliate the established bases of power than to gain access to a wide range of expertise. The Schools Commission advertises for submissions in preparing its reports to the Minister but has not held public meetings.

6.3.10 *Social Welfare Commission:* The Social Welfare Commission was established in 1973 to provide advice to the government on social welfare policy and to develop a basic social welfare plan. The Commissioners and staff had a variety of backgrounds including social work, sociology, economics and statistics. Two Commissioners reflected in particular the interests of migrants and the trade union movement. The Commission did not make recommendations for grants of financial assistance and its policy proposals (for example, on the Care for the Aged) were usually examined by the 'conventional' bureaucracy before decisions were made. The Commission invited submissions from the public on many of the topics investigated and used outside consultants extensively. The Commission is at present being wound down, preparatory to its abolition by statute.

6.3.11 *Regional Councils for Social Development:* An interesting experiment in participative forms of planning and policy development are the Regional Councils for Social Development set up under the Australian Assistance Plan. The Social Welfare Commission saw the Plan as providing 'resources to enable a community to plan and develop social services in a way which reflects community needs and priorities'. The Regional Councils include people elected from local or regional organisations. Particular interest groups are not automatically represented: the composition of any council tends to reflect the level of activity of the various groups in that region. The Councils recommend to the Department of Social Security grants for local social service development projects. The Councils have caused much controversy among local governments, since they are independent of local council control and provide a source of advice and expertise which competes with such bodies as the Regional Organisations of Councils which are composed exclusively of local government representatives. They are seen by some as a threat to the 'hierarchy' of tiers of government; by others as part of a development of a 'fourth tier'.

6.3.12 Each of the organisations mentioned raises in some form important questions about the relationship between the administration and the community. One such question arises from the fact that the information and expertise that must be made available to bodies advising the government on policies and fundings is, in such institutions, frequently ensured by a careful selection of the members of the institution itself. However there are many dangers in trying to gain a wide and representative sample of interest groups in this way: the body can become so large as to be unmanageable; only the most powerful or well-established might be represented; it is difficult to make a distinction between selecting a person because of his or her individual expertise and allowing a particular group thereby to gain privileged access to government.

6.3.13 Secondly, there are frequently tensions with more conventional 'intermediaries' or sources of power (whether federal departments or State or local government bodies) when an institution seeks deliberately to forge a direct relationship with 'clients' of the administration. To some degree such institutions by-pass the lines of responsibility which are seen as characteristic of a traditional representative democracy.

6.3.14 To these two problems the Commission believes there are no universally applicable answers—attitudes towards the appropriateness of such institutions will vary according to the field of policy concerned and the importance of the groups and organisations affected. In all institutions where there is some form of
R86 'representation' of client groups it is necessary to keep the membership of the body under review both as to the groups formally or informally represented and the type of experience they make available. It is too easy for such bodies to become captive to particular interests or forms of expertise, so preventing other interests or forms of expertise being heard effectively. Despite these difficulties the Commission believes that these and other similar institutions constitute an important development within Commonwealth administration and have proved their value as a supplement to the normal departmental structure. They have in fact mobilised skills which would not otherwise have been otherwise available and have established more effective communication.

6.3.15 Acknowledgment of this success does not imply that their work should not be subject to scrutiny. This is especially so when they play an important role in advising on the allocation of resources. In allocating such resources governments must take account of other claims and their own priorities. It is therefore inevitable and proper that statutory bodies advising on resources allocation should be involved in the discipline of the forward estimating and budget procedure we outline in Chapters 3 and 11. These procedures both impose a discipline and provide an opportunity for these specialist organisations to advise on the allocation of funds to important activities in a way which enables them to plan their activities in a longer time frame. Forward rolling programs are already being adopted, although intermittently, in a number of such areas. We have recommended in Chapter 3 that the practice should be extended and made an integral part of the discipline of the Forward Estimate budget process. R87

6.3.16 We discuss in Chapter 9.4 the means of staffing statutory bodies. Here we observe that the ability of bodies such as we have been discussing to obtain research staff with recent experience and expertise in the non-government sector is inhibited by staffing under the Public Service Act. However that mode of employment does ensure the availability of people with a wide range of relevant experience in the bureaucracy. We believe a more appropriate way of obtaining the services of 'outsiders' than having separate staffing arrangements is by short term contracts or by adopting a system of staff exchanges with the private sector. We develop the proposal for staff exchanges in the final section of this chapter.

6.3.17 Many statutory bodies and departments have attached to them special advisory bodies, often non-statutory (see also Chapter 4.3.45–47). Non-statutory bodies, being less formal than statutory authorities, are already used to provide a wide range of advice to ministers and their departments on issues where an input from the community is considered desirable. In large part, however, they represent relatively well-organised and stable sectional interests—labour, business, the professions or farmers. They have distinctly easier access to the administration than the less institutionalised and newly emerging bodies, currently concerned with issues such as conservation, housing, resident action and consumer protection.

6.3.18 Of the 245 non-statutory bodies reported by departments to be in existence early in 1975, 199 were classified as advisory. On these advisory committees, 243 associations were represented: more than half (127) were trade, business or primary producer associations; nearly one-fifth were trade unions (45); and only a little over one-tenth (31) were professional, governmental and educational associations.

6.3.19 In a consultancy study prepared by Dr T. V. Matthews on the access of interest groups to the administration[1], it emerged that even where advisory committees exist, their membership tends to be fairly limited in scope and often relatively unchanging. Accordingly, where there are advisory groups, we *recommend* that attention be given by departments: R88

- (a) to widening the range of their membership, especially by appointing as appropriate groups representing 'the public', consumers, welfare recipients, ethnic minorities and women: to achieve this, interest groups

1. See Appendix 2.D, Interest Group Access to the Australian Government Bureaucracy.

should be invited to submit a panel of names to enable the minister or department to have some say over the composition of advisory committees while at the same time taking account of the views of the group;

(b) to making appointments for fixed terms, staggered to permit change while maintaining a reasonable degree of continuity;

(c) to including, where appropriate, representation from staff in contact with the public;

(d) to payment of travel costs and sitting fees where the cost of attending meetings gives rise to hardship. (This is more especially so in the case of individuals representing the interests of the less affluent sections of the community.)

Many statutory bodies have provision in their legislation for the appointment of advisory bodies, for example, the Darwin Reconstruction Commission, the Australian Broadcasting Commission, the Schools Commission and the Postal
R89 Commission. We *recommend* that, to achieve the same purposes of broad representation and responsive administration, other statutory bodies follow similar procedures where this is not inconsistent with their legislation.

6.3.20 Newly emerging groups sometimes encounter special problems in gaining access to the administration to put their point of view or press their claims. They may be handicapped by unfamiliarity with channels of recourse and by lack of the skills and resources needed to present their case with any real prospect of its being seriously considered. It is often 'little' things like the ability to take time off work to attend on a minister or meet with his officers—which may involve travelling long distances—and the facility to prepare well written, well reasoned and documented submissions (in English), which make all the difference between having or not having the opportunity even to be heard.

6.3.21 There is no easy way of overcoming the inequalities that exist in the capacities of different individuals and groups to communicate their views and grievances to the government and to seek to influence the course of decision. The Commonwealth government has to some extent recognised that these inequalities exist and has taken steps to remedy them. Grants of financial assistance have, for example, been made to conservation associations to help them present cases at public inquiries. Provision has also been made for granting legal or financial assistance to persons who have instituted or propose to institute proceedings before the Trade Practices Commission or the Trade Practices Tribunal, or who are entitled to participate in those proceedings.

6.3.22 We believe that there is considerably more scope for the provision of assistance of this kind, and not simply in relation to participation in public inquiries or the preparation and presentation of submissions in response to invitations by public advertisement. There may be many cases where groups of individuals wish to take the initiative in putting their views to government but are effectively disabled from doing so by their lack of the necessary means. We
R90 *recommend* therefore that early consideration be given to the establishment of a fund, to be administered by a neutral agency, for the purpose of making small grants of financial assistance to associations which propose to make submissions to the government and which can show genuine hardship. It would be our intention that grants be made available primarily for the purpose of defraying secretarial and related expenses such as purchase of stationery, office accommodation and

travel expenses, and that the recipients be under an obligation to account for their expenditure.

The Role of Departments

6.3.23 In the constant pattern of interaction between the administration and the community many formal and informal channels of communication develop. Where the number of interests involved is large or the interests are substantial, there is merit in developing understood and publicised structures for communication along the lines we have just discussed. However, the most frequent and widest range of contacts are made direct between the community and particular officers within the administration. We believe that in this area the Public Service should be ready to listen, and to respond. It could be objected that this would imply a politicising of the Public Service, but we would question that. The Public Service is a well integrated organisation and the tendency has been for it to be too isolated from the community rather than too involved. As a first step in the development of guidelines to allow officers in the public service to be more accessible to individuals or groups, we *recommend*: R91

(a) that departmental administrations encourage officers to respond positively to requests by individuals or members of existing or new groups for meetings with members of the department;

(b) an officer meeting members of the public be free to discuss the issues, indicate what government policy is (if any) and be expected to assist the group or individual to prepare an effective case, though without necessarily becoming the advocate for the case, or becoming identified personally or departmentally with it;

(c) departmental facilities, for example libraries, departmental publications and, in some cases, relevant papers on files, be made available to the group or individual;

(d) for the protection of both sides, a record of proceedings should be prepared and be available to both parties. This should be a recognised departmental responsibility unless the visiting individual or group offers to prepare the record.

6.3.24 The view has often been taken that public servants making themselves accessible to individuals or groups in the way outlined above are encroaching on ministerial responsibilities and exceeding their normal course of duty. In our view, the climate of opinion on this matter is changing and, in some cases, has already changed substantially. Just as the minister may delegate powers conferred on him by legislation to officers working within his department, so we believe it appropriate, and consistent with ministerial responsibility, for a minister to allow explicitly or implicitly discussions to take place between officers in his department and members of the community. By this means, ministers will ensure that officers who are responsible for preparing advice on matters requiring ministerial decision will have a better understanding of what is going on in the community and will bring reality and depth to the advising process.

6.3.25 The development of improved and understood procedures for greater accessibility of departmental officers to members of the community will be seen only as a form of tokenism unless the administration is able to respond effectively.

R92 Accordingly the Commission *recommends* that, in parallel with the measures to improve such accessibility, departments take measures to ensure that:

(a) senior levels in departments demonstrate a willingness to take full account of what has been said, to respond to it or to obtain ministerial responses in appropriate cases;

(b) clear lines of communication are established within the department designed to ensure that cases put by groups are reviewed and that decisions are made on them;

(c) the minister is advised from time to time, and as often as necessary, of what input departmental officers are receiving in this way—with departmental comment for or against as is considered appropriate.

(d) provision is made for departmental facilities such as library, departmental publications and file material, to be more widely accessible;

(e) replies to submissions from the public are promptly prepared and dispatched.

6.3.26 It was put to us that departments should become more accessible to the community by becoming a 'learning resource'[1]. That is, they should respond to the developing community interest in learning through other than recognised educational institutions by preparing themselves to assist members of the public wishing to make use of departmental libraries and, on occasions, to have discussions with relevant officers. Some departments are already moving in this direction. For example, the Department of Environment, Housing and Community Development is offering a telephone inquiry service, an advisory service for local groups, and an education liaison group to work with schools and to conduct seminars where there is public interest in matters related to its activities. Action along these lines will tend to break down the 'we-they' attitude and encourage active and constructive interest by the community generally in the work of government.

6.3.27 The Commission's firm conclusion on the question of access to and use of government information is that every reasonable attempt should be made to provide access to the community generally and, in particular, to interested community groups, to information which until now has been the privileged possession of public servants. Such improved access is critical to the greater responsiveness for which this chapter argues. The Commission reviews this matter in more detail in Chapter 10.7 in the context of an examination of government information in its widest sense.

6.3.28 The new roles we have proposed for the Public Service in the preceding sections may from time to time give rise to problems. For example, public servants may either misrepresent what has been put to them, or be thought to have misrepresented it, or a senior officer may consider there has been too complete an espousal by an officer of a case put by a community group. To some extent, such problems can be overcome by ensuring that there is full communication between both sides and within the administration itself. The exchange of a record of proceedings as suggested in paragraph 6.3.23(d) will also assist in some cases. Given good sense, and a proper awareness of the importance of maintaining constructive dialogue between the administration and the community, the

1. Submission No. 36, from Ms Rosemary Walters.

problems should be capable of resolution. The difficulties that are bound to arise should not be made the excuse for a failure on the part of the administration to promote a sense of public service to the community among department officers and to work actively for meaningful interaction. We see the Public Service Board as having a role in refining the guidelines for action we have set out above, and in resolving cases where an officer considers he has been unfairly treated by his department. R93

Exchanges of Personnel

6.3.29 Mutual understanding between the administration and the community could be promoted through the development of a scheme of staff exchanges with the private sector. Exchange schemes of this kind are not easy to develop, as experience in Britain, the United States and Canada shows. However, the proposed system of staff rotation within the departmental service and Commonwealth employment generally (see Chapter 11.6) will make movements to and from Commonwealth employment a good deal easier to arrange than at present. The proposal is not for exchanges with private sector employees on a one for one basis. Rather it is envisaged that the Public Service Board would, in consultation with departments, be responsible for organising and administering a secondment scheme, along the following lines: R94

(a) the bodies with whom exchanges should be developed would include
  (i) State and local government services (see Chapter 7.4.17),
  (ii) larger firms in industry and commerce,
  (iii) academic institutions—schools, universities and other tertiary institutions,
  (iv) larger voluntary agencies;

(b) the officers involved would normally be promising people in the middle grades—the higher ranges of the existing third division and equivalent levels in the private sector—although this should not preclude, in appropriate cases, secondment of people at higher or lower levels than this;

(c) the period of secondment would normally be between one and two years though shorter periods, for example, six months in suitable cases, would not be precluded;

(d) the host institution (the Public Service Board for secondments to Commonwealth employment) would be responsible for
  (i) ensuring that the program of work of the seconded officer is interesting and contains an adequate measure of responsibility,
  (ii) reviewing the progress of the seconded officer after say the first three months, and then at six monthly intervals,

  with an understanding that the arrangement could be terminated quickly and effectively if it has not worked out well;

(e) the salary, cost of movement to and from the host institution, any allowances for housing etc, and superannuation arrangements for seconded officers, would continue to be met by their employers, but the seconded officer would during his period of secondment be subject to the same direction, working conditions etc, as employees of the host institution;

(f) the seconded officer would respect any confidences entrusted to him by either his employer or the host institution, and would not be expected, or

placed under pressure, by either to divulge these confidences (this would not prevent discussion and reports on experience gained—an important part of the program);

(g) secondment would not be to the prejudice of the officer's prospects of advancement and he would be assured of reintegration on his return from secondment;

(h) the Public Service Board and the outside employer would avoid arranging secondments that could lead to a conflict of interests;

(i) the Public Service Board would organise appropriate occasions for discussion between those seconded into and out of the Service under the scheme and other groups within the Service (and, as desired, with others from outside the Service).

Chapter 7 Administration away from the Centre

7.1 INTRODUCTION

7.1.1 The tendency of large organisations to concentrate power and authority at the 'centre' can lead to slowness in decision making, impersonality, and a tendency to inflexibility in procedures. The problem is compounded when there is a wide geographical spread in the organisation, giving variety in local conditions. In Australia large distances, the relative isolation of Canberra and the constraints imposed by traditional concepts of ministerial responsibility have all helped create problems for local administrators and communities. These problems were prominent in submissions received by the Commission and in oral evidence during visits to state and regional centres. As a result, we believe that there is both a strong public demand and an administrative need to get the business of government done as close as possible to the people and places which that business concerns, to spread decision making more widely and to reduce the time lags and rigidities which reflect central control.

7.1.2 We do not attempt in this chapter to deal with policy making away from the centre[1], although it should be noted that spreading authority outside head offices, and the offices of State capital cities, is part of the process of devolution which is one of the main themes of our Report. Here, our concern is primarily with those processes of administration which are set in motion by approaches from citizens or which affect them as individuals or as members of groups. We consider that there are several prerequisites for a satisfactory performance of such processes. First, it should be easy for citizens to make direct contact with those who can transact the relevant business with them. Second, the programs from which this business derives should be designed to meet the actual needs of those for whose benefit they have been prepared. Third, the local administration should be capable of responding to local needs. Accordingly, more authority to reach decisions needs to be given to the officers at local levels, especially to those who deal directly with the public. Finally, the resources locally available should be used imaginatively to avoid duplication of effort and waste of resources.

7.1.3 These prerequisites indicate that this chapter is concerned with a special case of the issues dealt with in Chapter 6, The Administration and the Community. Here we are concerned to ensure effective interaction with disparate and at times isolated communities, and changes in administrative structures and practices to improve that interaction. We emphasise that effective action to this end must begin with a willingness by the co-ordinating authorities—the Treasury, the Public Service Board, and the Department of the Prime Minister and Cabinet—and the top managements of all departments to take steps to

1. See Chapter 3 (particularly on the question of ministerial responsibility and staff participation in objective setting).

delegate authority to officers away from the centre. We deal below with three important forms that such delegation might take:

(a) the delegation of authority within departments to officers at the local level (Section 7.2);

(b) the delegation of authority and administrative responsibility between different federal agencies (7.3);

(c) co-operative arrangements, including the delegation of authority and administrative responsibility, between the federal and other levels of government (7.4).

7.1.4 Such delegations would make possible a more positive development of a regional structure for Commonwealth administration and a more systematic, regionally based co-operation between the different levels of government and with non-government voluntary agencies. As an illustration of this possibility we discuss in Section 7.5 the concept of the 'one stop shop', designed to provide in one location a comprehensive range of services from all levels of government and from the voluntary sector.

7.1.5 Three-quarters of the people employed under the Commonwealth Public Service Act work outside Canberra. These are the people whom the community encounters directly. They are not, however, the part of the administration which has the greatest prestige. Our examination of personnel records show that there are such identifiable differences between the 'Canberra' and 'non-Canberra' elements in the Service that one can justifiably talk of 'two services'. In Canberra, for example, the proportion of all clerical-administrative positions in the third division which are class 8 or higher is about four times as high as the corresponding ratio outside Canberra.[1] Whereas nearly one half of those in the 'Canberra' Service have had rates of salary increase in excess of 160 per cent in the eight years since they commenced their service, less than one third of the non-Canberra group had similar rates of increase.[2] Those working in Canberra (particularly those in the third division) report a markedly higher degree of job satisfaction than do those in the non-Canberra Service.[3] And those entering the non-Canberra Service have lower educational qualifications than those entering the Canberra group (nearly 40 per cent of those entering the third division of the Canberra Service have qualifications beyond the Higher School Certificate, compared to less than 20 per cent of those entering the non-Canberra section of the Service).[4]

7.1.6 Too often, discussions of the Public Service (at least those which occur at policy levels or in the media) are conducted in terms of the Canberra section alone. This is reflected in the content of submissions to the Commission from departments, from officials and from external organisations concerned with government policy. It was less so in the submissions from staff organisations. On the other hand submissions and evidence from individual citizens, as well as the ParticipACTION and Access projects, were primarily concerned with officials at the 'interface', that is, characteristically outside Canberra. The emphasis both

1. Public Service Board Annual Report 1975.
2. Appendix 3.A, the Career Service Study, Paper 2.
3. Appendix 3.A, Paper 5.
4. Appendix 3.A, Paper 2.

within and outside the Service on the Canberra element sometimes gives the impression that there is little concern among those who work in the insulated atmosphere of the national capital for the needs of the community outside, and that those whose task is to serve the community locally can exercise little influence on policy or administration.

7.1.7 Objections have been raised to the greater spread of authority away from the centre. Some of them are based upon real difficulties. For example, it has been argued that such devolution will break down the effectiveness, and indeed the principle, of ministerial responsibility. This objection is based on the notion that a minister does have and can have responsibility for individual decisions. We have shown that his responsibility can only be more general and is in fact dependent upon an effective system of accountable management (see Chapter 3). We believe it is possible to design such a system so that it devolves and decentralises authority and holds accountable for its exercise officials in whom the authority rests. The minister remains politically responsible for the general effectiveness of the system but also of course for the degree to which it permits local considerations to be taken into account when decisions are to be made.

7.1.8 Another objection to a greater spreading of authority is that it is more costly. The Commission's Task Force on a Regional Basis for Australian Government Administration judged that to provide regional decision makers with the information on which to base decisions would marginally increase the costs of making them. On the other hand the Access Survey provides evidence indicating scope for economies through greater delegation and attention to client needs. The Commission finds it hard to believe that devolution would not in fact be cheaper. Even with the existing systems, several departments, including Social Security, have shown that regional offices can operate at least as economically as larger offices based in central business districts—and with much improved service to the public. In addition, cross-delegations of authority from one department to another, agency arrangements and the use of State or local government administrative machinery all offer scope for economy.

7.2 DELEGATION OF AUTHORITY WITHIN DEPARTMENTS

7.2.1 We argued in Chapter 3.8 that better decisions will be made and better service given to people if authority and responsibility are devolved to officials close to where the action occurs and that the challenge to management which this presents can be met by the use of contemporary technology and computer based information systems.

7.2.2 To test the practicability of greater devolution and to weigh the risks of loss of control and consistency which might be involved, we arranged for members of our staff to make detailed studies of the present spread of effective authority, of the extent of delegations, of consistency in practice as between departments, and of the frequency with which practice in these matters is reviewed.[1]

7.2.3 There are two broad types of delegation operating in the Public Service.

1. See Appendix 2.I, Delegations in the Australian Public Service.

The most common is the delegation, often informal, of non-statutory powers which ultimately derive from the executive power of the Commonwealth. Officers at different levels in a department, or a unit within a department, are understood to be able to exercise certain powers and carry out certain duties without reference to higher authority. If something requiring action outside the understood range of authority occurs then the officer is expected to refer the matter for decision to someone at a higher level or seek approval of action proposed. The second type of delegation is delegation of powers conferred by statute or subordinate legislation; such as ordinances (in the Territories), and regulations. In such cases, the delegation is usually precisely worded, in writing, and is given to specifically designated officers.

7.2.4 Greater delegation of authority can come through either the informal or the legal channels. A delegation of the informal type is generally both more important and more difficult to arrange, since it involves the voluntary handing over of authority from one person to another. Difficulties can arise if there are, or are felt to be, unstated reservations in the arrangements.

7.2.5 We have received evidence that many officers are unwilling to accept responsibility because of the consequences they fear may follow from making even a relatively small 'error' or from the exercise of a discretion, for example, to grant a pension, in circumstances with which a superior may not agree. In part this fear of censure reflects an excessively rule-dominated quest for uniformity and an unwillingness of managers to allow subordinates to make judgments and decisions which they will support even though they themselves might have judged or decided differently.

7.2.6 Reluctance to delegate is sometimes justified by the need to achieve consistency in program administration throughout the country. But 'consistency' does not mean 'uniformity'. A program is administered consistently if individuals or groups in the same circumstances receive the same treatment. The major argument for devolution is that the *different* circumstances of individuals and groups need to be understood if a policy is to be applied effectively. The Access Survey[1] found that 85 per cent of 'public contact' staff found it necessary to 'cut corners' sometimes to get things done effectively. It is not sufficient to feel relief and even pleasure that so many public servants are prepared to cut corners: constant review of the adequacy of procedures is all important. As we have argued, constant review of program *objectives* is also necessary.

7.2.7 Programs need to be devised with a greater concentration on these objectives and on allowing intelligent application in local situations, and less on mechanical uniformity. Program design would frequently benefit from the assistance of officials who have daily exposure to local needs and pressures. A good illustration of the tendency at the centre to give too little weight to matters important at the interface is the high proportion of complaints noted by the Access Report which related to delayed delivery of cheques and other formal communications. The Access Report found that despite this, there was no section of the department concerned which dealt specifically with such delays or sought to identify their causes. Greater influence on design and administration by local

1. See Appendix 2.C.

officers would, we believe, have led to changes in these matters, with savings in man-hour costs as well as improved client satisfaction (see also paragraph 7.1.8).

7.2.8 If local administrators understand a program's objectives, have access to appropriate information and have authority to make decisions in fulfilment of those objectives they may well achieve greater consistency of result than does a centrally enforced rule dominated uniformity. If they are trusted there will be an increased risk of minor error and departures from uniformity. The present system with its limited acceptance of devolution and delegation 'with reservations' is dominated by reluctance to take these risks, so that the general unwillingness to delegate is reflected sometimes in a reluctance to act on delegated authority even when it exists. The Commission considers the risks exaggerated at the centre and believes that the dilemma should be resolved by a sturdy increase in delegations combined with standards of accountability in which an official's performance is judged in the aggregate rather than by narrowly selected points of detail.

7.2.9 Another justification given for a reluctance to delegate is the conviction that only senior experienced officers, or those who have access to and are closely supervised by them can be trusted to make decisions. We believe this conviction to be mistaken. There is no reason to question the inherent calibre of officers outside Canberra nor their capacity, given clear directives and access to relevant information, to accept the appropriate responsibilities.

7.2.10 The transfer of maximum responsibility cannot take place overnight. The ability to accept responsibility grows only from in fact accepting it. There is a need for more systematic attention to the information flowing to officers away from the central administration and to the graduation of responsibilities which they are called upon to bear as they become more experienced.[1] But responsibility must begin early. We have noted that third division officers serving outside Canberra express less satisfaction in their jobs than do similarly ranked officers in Canberra. This difference may in part reflect the differences in existing opportunities to accept responsibility and to exercise judgment. The proposals below should to a significant degree improve the job satisfaction of such people, as well as contributing to a better service for the public.

7.2.11 We *recommend* that senior management in central offices of departments, and in State capital city offices as appropriate: R95

(a) increase as rapidly as possible the level of delegation allowed to officers delivering services to the public;

(b) involve these officers in the formulation and review of objectives and administrative guidelines.

7.2.12 Officers away from the centre will need added training to equip them for added responsibilities as will managers required to delegate. We discuss the training needs of officers, including those in regional and local offices in Chapter 8.4 in the section on Training and Staff Development.

7.2.13 We also *recommend*: R96

(a) that the Management Consultancy group in the Public Service Board assist managers to achieve the changes outlined above (see Chapter 11.6.19–22);

1. See Appendix 1.E, Public Sector Management and Related Information Requirements.

(b) that the new arrangements be the subject of report by the Auditor-General under the new power to conduct efficiency audits;

(c) that the Department of the Prime Minister and Cabinet, in the course of 'effectiveness reviews' (see Chapter 11.5.20) assess the influence of the reforms on the effectiveness of the department's programs;

(d) that departments review annually all allowances, delegations and authorisations having monetary limits with a view to adjusting them, to take account of changing monetary values and of the increased capacity of local staff;

(e) that the Attorney-General's Department, in consultation with the departments concerned, examine existing legislation with a view to ensuring that power to delegate particular functions is located at suitable levels in the administration.

7.2.14 Two aspects of the conditions of employment are pertinent to a discussion of devolution of decision-making. One relates to the major issue of staff working conditions when dispersal (that is movement of staff from a major employment centre in a capital city to outlying suburban centres) and decentralisation of government functions occurs. This subject was discussed in the submission from the Council of Australian Government Employee Organisations (CAGEO), and a number of proposals were made which stem from the experience of CAGEO and its affiliates and which also draw upon a report by the
R97 Tavistock Institute.[1] The Commission sees merit in these broad proposals and suggests that they be given detailed consideration.

7.2.15 The Commission also received evidence on the need to improve the minimum standards of residential accommodation available to Commonwealth employees, particularly in areas where the climatic conditions call for design departure from South-Eastern Australian requirements. A report prepared for CAGEO by the Department of Architecture of the University of Queensland[2] has pointed to inadequacies of the present housing standards, and puts much of the blame on the multiplicity of bodies with overlapping interests in the research and implementation of tropical housing needs.

7.2.16 Responding to the CAGEO submission the then Department of Housing and Construction referred to the co-ordinating role of the Building Research Development Advisory Committee and to the amalgamation of three interdepartmental committees to form the Australian Public Service Housing Scales and Standards Committee, as evidence of improved co-ordination. Despite this, co-ordination remains defective, as three bodies continue to have overlapping interests, namely:

(a) the Australian Housing Standards Advisory Council;

(b) the Australian Public Service Housing Scales and Standards Committee;

(c) the Building Research and Development Advisory Committee.

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1. *Report on the Location of Government—Human Aspects of Dispersal* (Tavistock Institute of Human Relations: August 1972, London). Some of the issues involved in relocating government offices are canvassed in a staff paper, The Location of Australian Government Employees. See Commission's Collected Papers on microfiche.
2. B. S. Saini and S. V. Szokolay, *Evaluation of Housing Standards in Tropical Australia*; Department of Architecture, University of Queensland.

7.2.17 None of these bodies has a special responsibility for the problems of tropical housing—all have a nation-wide commitment. We *recommend* that: R98

(a) either a single authority or a specialised group with a degree of autonomy be established for formulating and implementing a policy for Australian government housing in tropical areas;

(b) minimum standards of housing be improved in line with those recommended by the above-mentioned university report.

7.3 REGIONAL ADMINISTRATION AND INTER-AGENCY DELEGATION

7.3.1 Concern within the Commonwealth administration for decentralisation is not new. The early federal functions were, and continue to be, effectively decentralised largely because those functions were taken over from the six States. As the federal government developed, and moved to Canberra the tendency to centralise became more apparent. Since then the prevailing pattern has been for few officers to be posted outside the Canberra or State capital city offices. In fact many departments when asked about the extent of their regional operations replied that their 'regional offices' are those in the State capital cities.

7.3.2 For some purposes of Commonwealth administration a State may represent a useful regional unit. But for others a much smaller population or area would be appropriate if the service is to be effective. The relevant question is whether areas smaller than States will facilitate efficient Commonwealth administration: not whether another tier of government is needed. Indeed, the Commission believes that administrative regions need not coincide with the territorial boundaries of any one level of government but rather should be areas where all such levels can co-operate in the better administration of the services that each provides.

7.3.3 Because of the complexity of the issues involved in developing a regional basis for Commonwealth administration, the Commission appointed a Task Force to investigate and report on them.[1] The Task Force report and a study made by staff of the Commission[2] found that greater use of delegations and agency arrangements between one department or agency and another offers one of the most promising avenues for improving administration at regional and local levels. We draw the attention of departments and agencies to these reports and *recommend* that departments explore more actively the scope for such 'cross-delegations'. R99

7.3.4 In this connection, we invite attention to the willingness of the Australian Postal Commission to act as an agent for departments, and the wish of the Australian Postmaster's Association that their members be given such opportunities. Australia Post has an unmatched range of offices throughout Australia, and is equipped to handle telex material and cash. We see no reason why many more departments should not use its services for the provision of advice, payment direct of relatively small amounts of cash, and the handling of inquiries. The use R100

1. The terms of reference, membership and major conclusions of this Task Force can be found at Appendix 2.H.
2. See Appendix 2.I.
3. A facilitating amendment of the Australian Postal Commission Act may be necessary.

of its services could in some circumstances be an alternative to the appointment of additional officers in a region.

R101 7.3.5 The possibilities of such agency arrangements and other forms of co-operation would be increased by more effective consultation between officers of different departments represented in a region. A shared understanding of the problems of the region built up locally would feed back to central offices more complete and reliable information on which to base policy and administrative decisions. Such local groups of departmental representatives would provide invaluable support for task forces or similar groups studying specific problems of the region. Such consultation might also lead to the sharing in remote areas of support facilities such as typing and copying, communications and housing, the insufficiency of which frequently hampers the work of officers.

R102 7.3.6 There is room for experiment in the means by which such groups of Commonwealth departmental representatives might co-operate with local agencies. Regional Councils for Social Development, assuming they continue to be funded by the Commonwealth, may in appropriate circumstances share their administrative facilities and act as a source of information about local attitudes and issues.

7.3.7 Local and regional organisations could assist in providing the local community with accurate, precise and readily understandable information about federal government programs. Citizens' Advice and Aid Bureaux and Community Information Centres could assist people to obtain it. Regular contact would make it easier for departments to ensure that such organisations received up-to-date information and to assess from their comments what might be the needs of particular areas.

7.3.8 Another possible development investigated by the Task Force is the appointment for a region of an officer who for purposes of discussion was called the 'Australian Government Representative'. This proposal was originally outlined in Commission Discussion Paper No. 1, *Regionalising Government Administration.*[1] The Task Force records that it approached the concept with a degree of scepticism but, after extensive discussions in four regions, concluded that in an appropriate form it might:

(a) help produce an effective response to the needs and problems of the region;
(b) avoid undue expansion of departmental staff at the regional and local levels;
(c) promote more effective service delivery;
(d) provide a link for policy communications beyond the resources of any single department.

7.3.9 Some reservations were expressed about the concept of a Commonwealth Government Representative both in the regions visited by the Task Force and at a seminar arranged by the Commission in Canberra. The scepticism was based on concern about the addition of 'another cog in the machinery'; and on apprehension, particularly in local governments, that such an appointment would lead to a 'takeover' of their functions. On the other hand, strong support

1. See the collected papers of the Commission on microfiche.

for the proposal was also expressed, especially from community groups and from users of services provided by Commonwealth departments and agencies.

7.3.10 The Commission recognises that there is a dilemma inherent in the concept of a Commonwealth Government Representative. If he has large powers, he will tend to become unacceptable to those responsible for particular functions. On the other hand, if he has no substantial delegations but relies solely on persuasion, he may be ineffective. Without actual experiment, the idea cannot be evaluated. The Commission believes that such a representative, carefully chosen and briefed, could both strengthen the Commonwealth government presence and improve its communication with and comprehension of the concerns of the region. To achieve these ends, such a representative should receive a ministerial directive, partly general in character and partly specific to the region.

7.3.11 This directive would make clear that his role was not to determine matters which are the responsibility of individual departments with representatives in the region but rather:

(a) to act as the general administrative representative in the region across the spectrum of Commonwealth government activities;
(b) to develop effective contacts with representatives of State and local government and community groups;
(c) to form and convey to central offices, assessments of needs, priorities and problems in the region;
(d) to watch over, and as desirable co-ordinate, the activities of Commonwealth departments and agencies within the region and to exercise defined powers in relation to local administrative issues, for example, local recruitment, minor maintenance;
(e) to act on behalf of the departments not otherwise represented in the region.

The Commission *recommends* as an experiment, the appointment of at least one, and preferably more, Commonwealth Government Representatives on the foregoing basis, including one in a remote region and one in a city. R103

7.3.12 While the Commission is satisfied that there would be clear benefits if a Commonwealth Government Representative were appointed in some, if perhaps not all, regions, it believes that his precise role could best be evolved in practice. The same can be said of other ways of strengthening the quality of the Commonwealth presence in the regions. Accordingly, the Commission *recommends* that experiments be conducted at least in the four regions visited by the Task Force, and along the lines it recommended. In summary form this would mean: R104

(a) Alice Springs: the Regional Director, Department of the Northern Territory, Alice Springs, would convene on an experimental basis, a monthly meeting of heads of all Commonwealth government agencies, to which meetings representative members of the community might occasionally be invited;
(b) Kimberleys: a task force would examine problems associated with the delivery of welfare services with special reference to Aboriginals, and recommend whether a Commonwealth Government Representative should be appointed for the region; it would seek to develop liaison arrangements with the State Regional Administrator in Kununurra;
(c) Queensland Northern (Townsville): the heads of Commonwealth offices in the region would meet regularly, the chairman being chosen on a

rotational basis and having authority to convene meetings and to establish liaison with the co-ordinating secretariat in Canberra;

(d) Western Region, Melbourne: a senior officer would be appointed as a Commonwealth Government Representative with authority to negotiate for the establishment of consultative machinery at the local administrative level for the federal, State and local agencies active in the region.

7.3.13 Since the Task Force presented its report the Commission has had contact with the Moreton Regional Committee which was established by the former Department of Urban and Regional Development to investigate the possibility of a regional approach by elements of Commonwealth government administration to the Moreton region in Queensland. The Commission

R105 *recommends* that the Moreton Committee development be regarded along with those referred to above as providing a significant test of the practicability and value of greater regional emphasis in Commonwealth administration.

7.3.14 Experience both in Britain and in Canada, where devolution of authority was recommended by the Fulton and Glassco Commissions respectively, suggests that central offices of departments and agencies are unlikely actively to pursue such devolution. The traditional hierarchically organised administration in Canberra has no inbuilt dynamic capable of reversing the trend towards centralisation.

R106 7.3.15 We therefore *recommend* that a co-ordinating unit for decentralisation be established as a separate entity in the relevant area of the Department of the Prime Minister and Cabinet. A unit so placed would be better able to cut across entrenched departmental interests and to ensure that regional considerations were injected into policy judgments. It would be the function of this unit to make or arrange objective assessments of the regional experiments recommended above and to monitor other administrative changes.

7.4 OTHER LEVELS OF GOVERNMENT

Co-operative Arrangements with the States

7.4.1 Closely related to the need to give greater regional emphasis to Commonwealth administration is the case for making greater use of State administrations to assist in carrying out Commonwealth programs. Our inquiries, and the experience of many departments over the years, suggest that this use is practicable but that difficulties and resistance will be encountered.[1] The political relationships between governments sometimes make agreement difficult, especially when the program concerned is politically controversial. Nevertheless some existing arrangements, for instance in customs, quarantine, tuberculosis and the management of the waters of the River Murray, show that such agreements can prove efficient and can stand the test of time. Even more controversial schemes, including the administration of offshore oil and rural reconstruction schemes, have survived and, despite criticism, have worked economically.

7.4.2 The greater use of State administrative facilities is often resisted by Commonwealth administrators. They refer to the need for uniformity between

1. See Appendix 2.G, Relationships between the Commonwealth and State Governments.

States and the difficulty of officers working for two masters, both of whom bear ministerial responsibility. Experience does not support the view that these difficulties are insuperable. The post-war housing and war service land settlement schemes are good examples, in addition to those mentioned in the previous paragraph, of effective, economical and publicly acceptable administrative arrangements. We note that uniformity between States may not produce maximum effectiveness: a federal scheme may in fact benefit from a degree of State and regional diversity, for example apple growers in Tasmania may have needs quite different from those in Western Australia and construction standards for aged persons homes may properly be different in Hobart and Cairns.

7.4.3 The primary justification for the maximum use of State facilities is economy and the avoidance of administratively confusing overlap of operations. Such overlap is most probable when a federal program runs closely parallel to State programs. The Commission believes that in such instances the possibility of negotiated arrangements for State administration of the program should be explored before new federal organisations are established. We do not suggest that a Commonwealth government should abandon or qualify its right to establish such programs or to determine the principles on which they should be administered. But experience of the Commonwealth-State housing agreements suggests that with, if necessary, hard bargaining, this right is compatible with agreements under which State administrative machinery is effectively used.

7.4.4 Agreed arrangements with the States need not be confined to new programs, nor need the traffic be wholly one way. There are instances, and there could be more, of federal agencies acting for the States. The function of meat inspection is one where commonsense appears to demand co-operative administration, as is the inspection of the observance of arbitral awards where already joint arrangements exist in some States. We are satisfied that with a sufficiently firm political direction those concerned could evolve satisfactory and amplified administrative agreements without great difficulty. Such agreements should: **R107**

(a) retain the right of the federal or State government as the case may be to determine policy and broad principles of administration;

(b) allow administrative discretion and flexibility to States and their officials or to federal agencies.

7.4.5 Formal arrangements of this kind can be supplemented by ministerial action to assign functions to an officer of a different level of government. Thus the Customs Act, in an area where Commonwealth powers are, by the Constitution, 'exclusive', authorises the Minister to appoint officers of Customs who need not be Commonwealth officers and frequently are State officers. Similarly, the Quarantine Act, in an area where the Commonwealth has concurrent legislative power, authorises appointment of quarantine officers, many of whom are State officers also responsible for administering State quarantine legislation.

7.4.6 Suitable arrangements for use of staff could be achieved by the greater use of provisions in Division 9 of the Public Service Act which outlines arrangements by which the federal government can have work done by State officers (and *vice versa*). These provisions are little used partly perhaps because of the formality and complexity of the procedures involved. We suggest that consideration be given: **R108**

(a) to simplifying and making greater use of the provisions of Division 9 of the Public Service Act;

(b) to extending the provisions to authorise arrangements involving the staff of statutory authorities (both Commonwealth and State).

R109 We suggest further that general supervision should be exercised by the Public Service Board over the terms and conditions under which State officers are employed to carry out federal government functions and federal government officers to carry out State functions.

7.4.7 It is clear that arrangements with States can be diverse and their form flexible given the prerequisites stated in paragraph 7.4.4. There almost certainly exists a precedent for any kind of arrangement necessary to deal with a particular need for co-operation. The difficulties lie in finding a source of initiative, and in overcoming inertia and 'empire-consciousness' in the administrations concerned. The Commission considers that this source of initiative could be within the Department of the Prime Minister and Cabinet.

R110 7.4.8 Accordingly the Commission *recommends* that:

(a) primary responsibility for stimulating greater use of State administrative capacities in federal programs be with the Department of the Prime Minister and Cabinet as part of its general responsibility for relations with the States;

(b) the Department review proposals before Cabinet to ensure that

(i) unnecessary overlap with State administration is avoided,

(ii) opportunities for the use of State facilities are explored;

(c) the Department recommend to the Prime Minister the establishment of task forces to explore such opportunities and progressively to review existing programs;

(d) the Department be responsible for arranging and co-ordinating Commonwealth departmental action in negotiations with States arising from the reviews.

R111 7.4.9 In such negotiations the Commission *recommends* that Commonwealth officials should be guided by the following general principles:

(a) arrangements for the federal funding of State administrations for programs administered by them should be based on general principles of measurement, for example, percentages of officers' time, with an allowance for overheads etc, and should be reviewable on an agreed basis;

(b) State administrations should be obliged to provide the information necessary for effective monitoring and evaluation of programs concerned. State-Commonwealth programs should be reviewed from time to time: it should be practicable to bring, or return, a particular area to direct Commonwealth administration, without excessive disruption;

(c) while clear and mutually understood arrangements are imperative, undue emphasis need not be placed on the form of the agreement or understanding, and correspondence at official or ministerial level will often be sufficient.

7.4.10 The policy of sharing administration where practicable with the States does not imply that the federal administration should aim for a total withdrawal from 'service delivery'. That would not be desirable. There are some programs for

which the Commonwealth will always want to be responsible and which it can most effectively and economically, administer itself: it is also important that administrators at the policy making levels of the Commonwealth government should be able to keep in touch with what is happening at the 'grass roots'.

7.4.11 During the hearings of the Senate Select Committee on Offshore Petroleum Resources the point was made that if the administration of legislation is placed in the hands of the States, and the power of Commonwealth ministers to give directions is limited, to that extent the Commonwealth ceases to be effectively responsible. A similar issue arises when a separate body is set up by joint action of the Commonwealth and the States, as is the case with the River Murray Commission. Whether or not responsibility remains with the Commonwealth in any particular case must, in our view, be largely a matter of policy, and judgments will need to be made at ministerial level. However it is possible to include, in a Commonwealth-State agreement for the use by the Commonwealth of State administrative facilities, an express provision for the giving of directions on matters of policy and also for the exercise of that degree of supervision which is desired by the Commonwealth and is acceptable to the State or States.

7.4.12 This is not to underestimate the difficulties which may attend the negotiation of mutually acceptable terms and conditions. Problems have arisen, for example, in relation to accounting for the use of specific purpose grants. The practice appears to be that the Commonwealth Auditor-General is entrusted with the audit of the expenditures, but accepts the certificate of the State Auditor-General for expenditures by State agencies. For its limited purpose this practice appears adequate. Whether a similar practice should be followed in relation to efficiency reviews and program evaluation is more difficult since they could involve more detailed inquiries. It seems essential that the Commonwealth should be able to assess how a program is developing. Such assessments might be undertaken by a team including Commonwealth and State officials led by an agreed independent assessor, perhaps drawn from a firm of business consultants. The Commission believes that problems of this kind could usually be resolved in the negotiations leading up to an agreement, when the need for periodical assessment and the means by which it might be carried out would be listed for discussion.

7.4.13 Similarly it may be useful in some circumstances to offer a special supplementary incentive to State officers to discharge delegations for the Commonwealth effectively. We note with interest the arrangements the Bureau of Customs makes under section 4(1)(b) of the Customs Act to provide overtime, or a retainer as well as overtime, to State officers appointed as Customs officers (though we note that the retainer is relatively small in amount). The Commission *recommends* that in appropriate cases—and these should be looked for and identified—arrangements should be made with State administrations for the payment of additional amounts to State officers carrying out Commonwealth functions by way of recognition of the added responsibilities they carry. By such means, and others which might be devised, the officer could accept the additional responsibility more readily. He would be made more accountable to the Commonwealth if in the event of unsatisfactory performance the delegation (and retainer) could be terminated. R112

7.4.14 The instances discussed above illustrate the Commission's conviction

that most of the difficulties involved in greater use of State administrative resources can be resolved in the bargaining leading up to an agreement. We do not necessarily expect the negotiations to be easy or non-political but nonetheless we believe they can lead to workable agreements with benefits to effectiveness and economy in the conduct of federal programs. Just as we have been able to point to difficult problems, such as audit provisions, which have been resolved in individual instances, so we believe that continuing use of the technique of inter-government agreement will progressively lead to the development of conventions and standard practices to which resort can be made in subsequent negotiations. Such conventions and standard practices will lead to agreements making possible a proper responsibility and accountability, as well as providing an effective service to the public.

The Services of Local Authorities

7.4.15 Just as there is scope for greater use by the Commonwealth of the administrative capacity of the States, it is likely that similar if more limited scope exists for the use of local government resources. The Commission's Task Force on a Regional Basis for Commonwealth Government Administration urged that this scope be explored more systematically, particularly in remote localities where the Commonwealth government may have minimal, if any, representation, and where State representation too may be small. There is a clear advantage in using local government bodies in any area, since in administering their own locally-based programs they are likely to develop a more intimate understanding of the needs and demands of the local people than is possible for a centrally based administration. The Social Welfare Commission in a valuable research paper, The Role of Local Government in Social Welfare (January 1976), concluded that there is a consensus that local government bodies should be more involved in the provision of welfare services, although the precise form and extent of the involvement cannot always be anticipated:

> 'The proposals range from those which advocate for local government a primary role in the planning and provision of personal social service to those which envisage more of a limited role for local government, where the authorities do not undertake direct provision of welfare services but are encouraged to take a 'catalyst' role acting as a banker, organiser and landlord for community groups. The views of State welfare authorities suggest that whichever direction is taken on expanding local government welfare involvement, there will continue to be certain major welfare activities outside the scope of local government . . .
> On the evidence so far, the Commonwealth government might postulate that local government could be, given State concurrence:
>
> (i) an appropriate point for the delivery of information services, for example, Citizens Advice Bureaux etc;
>
> (ii) the organisational point for certain capital intensive services to the entire community such as accommodation for the aged, full day care, pre-school education and possibly sheltered workshops for the handicapped; certain other generic services such as home help services for the house bound could also be provided by local government, sometimes in association with a local hospital;
>
> (iii) an appropriate point for community development . . .'

7.4.16 If local government is to be more involved in the extension of such federal programs, there is the same need for the development of clearly understood and viable arrangements with the local authorities as those covering

the use of State government facilities. This point was made especially clear in the course of a study of the establishment and operation of the Perth Metropolitan Region.[1] Because local governments are created under State legislation the agreement of the relevant State will always need to be obtained before negotiations with local governments are begun. The Commission therefore *recommends* that the group within the Department of the Prime Minister and Cabinet concerned with co-operative arrangements with the States (see paragraph 7.4.8) be given responsibility also for negotiations leading to the use of local government officers in carrying out federal programs. In many respects, agreements along lines similar to those drawn up with State governments could be sought, but they would necessarily be more limited in scope. R113

Exchanges of Personnel

7.4.17 It is a small step from proposing the administration of some federal programs by other levels of government (and by voluntary agencies—see Chapter 6.2) to considering the benefits to all levels if it were possible to arrange for officers in the federal administration to gain experience by working in the service of State governments and local authorities and *vice versa*.[2] The Commission *recommends* that the Public Service Board, in consultation with the Department of the Prime Minister and Cabinet and officials from State and local governments examine the United States Inter-governmental Personnel Act and any other relevant overseas legislation and practice with a view to making it possible for personnel to be exchanged between the three levels of government on a basis that would not involve loss of rights, would widen the range of opportunity for officers in all three services, and would encourage more effective co-operation in administrative matters. R114

7.5 THE 'ONE STOP SHOP'

7.5.1 In the foregoing section we have considered co-operative arrangements with other levels of governments as one means of improving the service given by the Commonwealth government to the community 'away from the centre'. During its work the Commission sponsored an experiment to test the value of a special form of such co-operation, namely, the 'one stop shop'. The object of the 'one stop shop' is to provide as nearly as possible a complete service (including if possible the power to make decisions) in one place, at one visit, and with members of the public having to deal with not more than one or two different officers. There are various forms which a one stop shop can take: there can be simple co-location[3] of a number of officers of different federal agencies or a mixture of officers of various levels of government and representatives of voluntary and community groups. There can be extensive uses of delegation so that with representatives of one or very few agencies at the shop there is still the authority to provide the services of other agencies, or there can be a more simple referral or inquiry centre arrangement. The one stop shop which the Commission sponsored was the Northwest One-stop Welfare (NOW) Centre in Coburg, a Melbourne suburb and it does not fall exactly into any of the categories above. Here officers of federal and State departments, local government employees and representatives of

1. See Wood and O'Meara, in *Lollies, Mother and Strangers in Flash Cars: the Struggle for the Loyalty of Local Government in the Perth Regions*, 1970
2. See Chapter 6.3.29.
3. See paragraph 7.5.4.

voluntary groups are trying to work together as a team to provide a comprehensive social welfare service.[1] Although we had hoped to conduct some experiments in the Centre with increased delegations both to lower level officers and across agency boundaries, these have not been put into effect at NOW.

7.5.2 It has also come about that NOW started its life with a focus primarily on social welfare activities, yet it has not been our intention that the service provided should necessarily be limited in this way. Already the Centre has begun to expand into other fields, such as legal aid, and we hope that in response to community needs, it will continue to expand the service it offers. NOW has enabled those involved and thereby the Commission to learn a number of lessons not only about improving service to the public but about experimental organisation structures and non-hierarchical patterns of work. Reference is made to those matters elsewhere in the Report.

7.5.3 The Commission's Access Report shows that there is good reason to believe that NOW offers a marked improvement in service delivery and we are optimistic that centres like NOW can contribute to more effective administration. However two points about the experience are worth attention. The first is that departments were reluctant to invest resources in an 'experiment', particularly one involving the three tiers of government and voluntary agencies. Without the Commission's intervention no one department would or could have taken the initiative.

7.5.4 Similar reluctance or incapacity faced the Regionalism Task Force in its attempts to have the public contact staff of the main welfare departments in Alice Springs (all, we note, *Commonwealth* departments) located in the one place—the ground floor of the major new block of Commonwealth offices. In the event, the co-location seems likely to occur but has been severely delayed largely it seems because there was no recognised source of authority and advice at the centre or in the region which could take the matter up in the interests of the citizens of Alice Springs and of Commonwealth administration generally.

7.5.5 The absence of any agency at present which can properly concern itself with the needs, in a particular location, of Commonwealth administration generally or of the clients of the various departments and agencies will inevitably handicap the development of more effective co-operation under other levels of government and with voluntary agencies. It gives added weight therefore to the Commission proposals for a focus in the Department of Prime Minister and Cabinet to stimulate and monitor experiments in regionally based administration (see 7.4.15).

7.5.6 Our second observation is that the NOW experiment introduces new factors into arrangements for co-operation between the Commonwealth and the States. A new entity has been established whose actions are to a degree independent of any one level of government, and which includes staff drawn from several levels of government and from several departments. In the past when a new entity has been created, for example, the River Murray Commission or the Albury Wodonga Corporation, it has usually had a statutory basis for its independent staffing arrangements, but this is not the case at NOW, where no staff are employed by the Centre itself. This has meant that the staff in the NOW

1. See the NOW Centre Report, Appendix 2.F., and the Access Report, Appendix 2.C.

Centre have had to work out experimentally their own answers to problems where lines of responsibility were obscure. While the ultimate resolution of these problems will take time, experience so far suggests that a stronger link between the NOW and organised regional bodies might assist.

7.5.7 We consider the NOW experiment already promises valuable results, although further time is needed before a definitive evaluation can be made. It provides an excellent example of co-operation between Federal and State governments and we understand it has already given impetus to a wider program in Victoria of co-operation between the Department of Social Security and the State Social Welfare Department. The Commission *recommends* that the NOW experiment be continued for at least two years. During this time it should be studied by the Department of Prime Minister and Cabinet as a possible model for future co-operative administration on a regional basis, and its results and relative costs should be assessed by independent consultants. Meanwhile, we *recommend* that the Commonwealth government indicate its willingness to help establish other 'one stop shop' centres experimentally where local and regional organisations wish to sponsor them and the State government concerned is willing to participate. R115 R116

Chapter 8 Staffing the Administration—I Efficiency and Equity

8.1 INTRODUCTION AND GENERAL PRINCIPLES

Introduction

8.1.1 The quality of administration is a function of the quality of the people who undertake it. No system of administrative structures and procedures can perform at its best unless it recruits and retains appropriately skilled and motivated men and women. We have argued that, as prerequisites of efficiency, managers should be given the scope to act entrepreneurially and should be held accountable for the results, and that staff should be effectively involved in determining operational objectives and communicating them to the point of action or decision (see Chapter 3.2). To achieve these prerequisites, long established personnel policies and practices will need to be modified. Necessary reform is already under way in some areas, initiated by management, staff and unions. Apart from the achievement of efficiency, staffing policy must be directed also towards the equitable treatment of staff and potential recruits. The Commission is concerned in this chapter to examine the possible conflicts between equity and more efficient, responsive and accountable administration and the means whereby such conflicts may be resolved.

8.1.2 Success in recruiting and retaining skilled staff demands a willingness to vary terms and conditions of service to suit the role of the part of the administration involved and the environment in which that role is to be performed. Increasingly, diversity will be needed to match the manifold functions, roles and forms of government agencies. Thus, staff are unlikely to be equally attracted to, motivated by, or grateful for the same terms and conditions of service in areas as different as clerical administration, research and commercial enterprise.

8.1.3 Two concepts, the obligation of the government to be an enlightened employer and the idea of government employment as a community instrument of policy, have a significant influence on the administration's response to staffing needs: the first because of the large numbers of people employed by the government and the importance of the public sector; the second because both citizens and governments have at times seen government employment as a form of resource capable of use in policies such as the reduction of unemployment, or the development of a National Capital and the accumulation of growth in regional centres. Both notions suggest that access to government employment should be open to all without unfair impediments.[1] Governments have varied in their commitment to these ethically based notions but they are sufficiently persistent with all governments to be accepted as important, if subsidiary, objectives of

1. These ideas are more relevant to public service employment than to that of most statutory bodies.

staffing policy. We see some value in endorsing and maintaining their relevance to contemporary administration.

8.1.4 Fundamental changes in the Australian government administration have occurred since Federation and since the last major revision of the Public Service Act in 1922. The role of the federal government has expanded in scope and significance especially with the development of its activities during World War II and the inception of uniform taxation. This growth in the range of functions has been associated with a doubling of the number of departments and more extensive use of various forms of statutory agencies. In consequence, the roles performed by Commonwealth government staff have progressively become more complex, diverse and potentially influential.

8.1.5 There is an associated diversity in governmental employment authorities and categories of employment. The Commission has identified at least 81 distinct employing authorities made up of:

(a) the Public Service Board, the sole employing authority for all staff under the Public Service Act (including staff in 24 departments and 23 statutory authorities staffed under the Act);
(b) 34 statutory authorities which are not governed by the Public Service Act but under the terms of their establishment have some kind of statutory relationship with the Public Service Board;
(c) 46 statutory authorities, staffed outside the Public Service Act independently of the Public Service Board.

8.1.6 The people who work for the Commonwealth government excluding ministers, judges and members of the defence forces may be categorised as follows:

(a) *Full-time officers and employees*
  (i) officers and employees under the Public Service Act (permanent, temporary and exempt),
  (ii) statutory officers, including full-time members of statutory authorities,
  (iii) non-statutory officers appointed under the residual power conferred by section 67 of the Constitution or the royal prerogative, for example Royal Commissioners,
  (iv) officers and employees of statutory agencies employed outside the Public Service Act,
  (v) officers of statutory services, such as Trade Commissioners, teachers, police;
(b) *Part-time holders of public offices*
  (i) officers of State public services or instrumentalities appointed to occupy federal offices (a number of court officials fall into this category),
  (ii) State officers performing federal government functions pursuant to Commonwealth-State agreements under the Public Service Act,
  (iii) statutory officers and some members of statutory authorities such as the Universities Commission,
  (iv) members of non-statutory federal agencies, such as advisory bodies, Royal Commissions, committees of inquiry;

(c) *Independent contractors*
These are people contracting to supply work or services rather than people engaged under contract of service (The width of this category defies classification. It includes those described by the Public Service Board as consultants, private medical practitioners who do work by arrangement, private messenger and taxi services, construction companies, printers, barristers, loans brokers.);

(d) *Recipients of government grants*
The conditions on which some government grants are given may place the recipient in the category of a person or organisation serving government. (The recipient of a scholarship or bursary may be bonded to join government service. Bodies such as Good Neighbour Councils or a citizen's advice bureau may receive assistance from government on such exacting conditions that they are virtually in the employ of government.)

8.1.7 Until the transfer of staff from the Australian Post Office to statutory commissions in July 1975, the administration was predominantly staffed by people employed under the Public Service Act. Following that transfer the proportion of employment under the Public Service Act fell from 70 per cent to 39 per cent of total federal government employment (excluding non-civilian employees). Table 1 sets out the proportions of civilian staff (including Postmaster General's Department) according to employment authority at 30 June 1975, and Table 2 indicates the trend in the distribution of categories of employment under the Public Service Act (excluding Postmaster-General's Department) over a period of 16 years.

Table 1 People in Australian Government Employment: 30 June 1975 (Permanent, temporary and exempt civilians)[1]

Public Service Act	*Other Acts*		*Total*
	Departmental	*Non-Departmental*	
277 455 70.0% (Excluding PMG— 155 489—39.2%)	25 770 6.5%	93 130 23.5%	396 355 100.0%

Table 2 Proportions of permanent temporary and exempt staff employed under the Public Service Act
(Excluding Postmaster General's Department)[1]

	1958	*1962*	*1966*	*1970*	*1972*	*1974*
	n = 76137	n = 80124	n = 97536	n = 121859	n = 132557	n = 146300
Permanent	50.4	55.5	58.6	63.7	68.7	71.6
Temporary	19.9	17.6	14.7	12.8	9.4	7.8
Exempt	29.8	26.9	26.7	23.4	21.9	20.6

n: total number.

8.1.8 The Commission's terms of reference direct it to give particular attention to:

1. Source: Australian Bureau of Statistics Employment and Unemployment Bulletin.

(a) personnel policies and practices and conditions of service of members of the Australian Public Service, both generally and in relation to particular classes of persons;
(b) the determination of salaries, wages and other conditions of service of persons in the service of the Australian government, including those serving overseas;
(c) the principles applicable to staffing of statutory corporations and other authorities;
(d) the rights of public servants as citizens.

The terms of reference give greatest emphasis to employment within the Commonwealth Public Service. Most of the published information about federal government employment refers to employment under the Public Service Act. Furthermore the principles applied to this employment are seen as relevant to most forms of public employment. For these reasons the Commission has concentrated primarily on that sector of the federal workforce. Shortage of time and lack of information have precluded comparable study of the staffing of statutory bodies (but see Chapter 9.4).

8.1.9 It was not possible for the Commission to deal exhaustively with all matters covered by its terms of reference. Some selection was necessary. The Commission therefore directed its attention and resources to issues raised in submissions and oral evidence. The comments by staff made in replies to the Commission's Career Service Survey have confirmed that these issues cover those of greatest concern to individual members of staff.[1]

Functions of Staffing Policy

8.1.10 A desire at federation to avoid friction with the newly formed union of the States, the continuous public scrutiny of its activities, an awareness of its responsibilities as the largest employer, and the levelling influence of industrial arbitration have led the federal government to emphasise equity in its dealings with its own employees. This emphasis led to a high measure of uniformity in the conditions of service and the patterns of management in government employment. It has been urged upon us that such uniformity imposed by central authority today does not necessarily lead to equity, that it tends to obstruct flexible and efficient conduct of government business and to impose excessive social uniformity on the composition of the government workforce to the detriment of disadvantaged groups and individuals and of its own capacity to respond to changing community and government attitudes.

8.1.11 To test these and other judgments about government employment the Commission brought together available statistical data and conducted additional surveys.[2] Studies of this material show that:
(a) the work force in the Commonwealth Public Service has been becoming progressively younger and less experienced;
(b) employees, on the average, have tended to remain for shorter periods;
(c) advancement (as measured by promotion and salary increases) has been

1. For a discussion of sources of information and research done, see Appendix 1.A, Review of Work.
2. See Appendix 3.A.

increasingly concentrated in central departmental units and especially in those located in Canberra;

(d) work associated with policy advice has been given increasing importance and status compared with other types of work;

(e) there is decreasing mobility between occupational categories which particularly affects movement between departments—leading apparently to significant 'inbreeding' in some of the most important policy units;

(f) there are poor career opportunities resulting in lowered morale for large segments of the work force;

(g) the decision in 1966 to allow married women to hold permanent positions markedly reduced the resignation rate for female staff but evidence of bias against women persists;

(h) there is evidence consistent with arbitrary changes in the weighting of components of a selection test producing an (unintended) sex bias in the proportion of job offers;

(i) many 'exempt' and 'temporary' employees have, in some departments, a high degree of permanence.

To some extent at least, these conclusions tend to support doubts about the adequacy and effectiveness in present circumstances of existing staffing policies. The Commission believes therefore that a review of the principles which underlie those policies is called for as a basis for continuing reform.

The Career Service—Principles and Practice

8.1.12 In the Commonwealth administration, the general concept of a career service has come to mean

(i) *recruitment by merit* (however defined and determined) to a

(ii) *unified service* (intended to mitigate the evils which result from a fragmentary service) subject to

(iii) *independent, non-political control* of recruitment and of the conditions of employment; and where the rights of career public servants are protected by

(iv) regulations which *discourage the recruitment of 'strangers'* to positions above the base grade, and by

(v) *legislated protection against arbitrary dismissal* (termination being only for cause and by due process).

This unified service is characterised by

(vi) *a hierarchical structure of positions* defined by

(vii) a regular system of *position classification* of salaries (with incremental advancement within the salary ranges of particular positions), with the career public servant rising through this hierarchy of positions according to

(viii) a system of *promotion by merit* subject to

(ix) a system of *appeals against promotions* (designed to ensure that justice is seen to be done)—the final reward for long and loyal service being

(x) *a distinctive retirement and pension system.*

8.1.13 The Commission feels that various elements of the 'career service' concept have over time mistakenly been allowed to become inflexible dogma of Public Service employment. We feel that there are cases where these 'principles'

have come to be used to justify practices no longer relevant to any discernible need; or which produce results in fact inconsistent with the objectives to which the principles were directed; that no assessment has been made in contemporary conditions of the costs incurred in terms of reduced efficiency and unfair treatment of certain categories of staff by the uniform application of these principles. The Commission, having studied submissions and other material before it, believes that there is justification for a reconsideration of these characteristics of a career service as a necessary and sufficient basis for the efficient staffing of the Commonwealth administration in contemporary conditions.

8.1.14 The Commission sees a need for a number of inter-related changes in the structure and practice of personnel administration. This will entail substantial amendment of the Public Service Act, and to an extent justify its repeal and the enactment of new legislation less wedded to rigidity. An overall movement to establish responsibility for management initiative in departments and agencies rather than the Public Service Board is a central element of rearrangement of the system to produce flexibility and accountability.

8.1.15 In addition to enhanced departmental powers over the determination of duties, classification and discipline there should be a strengthening of the measures to scrutinise and stimulate adherence to the basic tenets of personnel policy laid down in the legislation. Machinery for the protection of staff rights should be enhanced by statutory provisions, and arrangements for staff influence in the administration of work and the work place should be promoted.

8.1.16 In general terms, the Commission feels that more flexible recruitment practices should be adopted so that agencies and departments are allowed wider discretion to specify the experience and skills appropriate to work requirements. Machinery to overhaul existing selection procedures should be established. These changes would need to be made gradually on a systematic basis. In association with more open systems of staff appraisal there should be more emphasis placed on rational procedures for selection for promotion while retaining the promotion appeals system as a safeguard. Greater mobility between government agencies and other sections of the workforce should be promoted and barriers to it reduced.

8.1.17 In this and the following chapter the Commission outlines the proposed changes in detail, the present chapter dealing mainly with changes affecting the individual employee and the next with changes in the structure and management of departments and agencies, which in its view would make personnel policy more flexible and less centralised, and so offer greater scope for initiative and creative innovation.

8.2 RECRUITMENT

Recruitment by Merit

8.2.1 Recruitment in the Commonwealth administration has been based upon the 'merit principle'. Originally this principle was seen as a counter to the practice of political patronage and therefore to the inefficiency resulting from it.

8.2.2 Application of the merit principle is widely believed to guarantee that objectivity, rationality and equality of opportunity prevail in recruitment to Commonwealth employment. The Commission's attention has been drawn to circumstances where this belief may not be justified. It has been argued:

(a) that restrictions have been placed on eligibility;
(b) that personal rather than objective tests determine what constitutes merit for particular work;
(c) that procedures for selection and the choice of the tests of merit introduce effective, if unintentional, discrimination against members of particular groups and in some circumstances against individuals.

8.2.3 The Commission's attention has been specifically directed to the bearing of these issues on the way in which the merit principle is applied to women, Aboriginals, migrants, the handicapped, the educationally deprived and people over a certain age (see section 8.3).

8.2.4 The Commission upholds the concept of recruitment by merit, but believes there is cause for concern in the areas referred to in the previous paragraph.

8.2.5 The Board has the power of appointment and recruitment and is authorised:

(a) to determine age limits for appointment (Public Service Act, section 42);
(b) to conduct examinations and selection lists for the purpose of recruitment (sections 44, 45);
(c) to prescribe professional or technical qualifications for particular positions and types of employment (sections 37, 40);
(d) to allow (in defined circumstances) limited exemptions from required qualifications (section 38).

8.2.6 In some respects however the authority of the Board is precisely limited:

(a) the Public Service Board is required to call for application for appointment by public notice indicating the office to be filled, the requirements for appointment and the means whereby priority for appointment will be determined (section 46);
(b) persons who do not meet a number of conditions relating to nationality, character and health are ineligible for appointment (section 34);
(c) only persons who have met the prescribed educational, technical or professional qualifications (subject to limited right of exemption) may be appointed (sections 35, 39).

8.2.7 While the Public Service Act does not specifically define 'merit' it does embody the principle of open competitive entry, and this is seen as providing an implicit definition and a means of measuring merit. Thus the Public Service Board cites the following elements as basic to the application of the merit principle:

> '*adequate publicity*—job openings and requirements to be made known so that interested persons have a reasonable opportunity to know about them;
> *opportunity to apply*—persons who are interested should have an opportunity to make their interest known and receive consideration;
> *realistic standards*—qualification standards to be reasonably related to the job to be filled and to be applied impartially to all who make their interest known;
> *absence of discrimination*—the standards and processes used should embrace only matters related to ability and fitness for employment;
> *ranking on the basis of ability*—ranking of candidates to be on the basis of a relative evaluation of their ability and fitness and a selection process which gives effect to this ranking;

probity of the process—public to be able to find out how the process works and to have the opportunity to make representations relating to selection'.[1]

8.2.8 The Board has devolved on the Public Service Inspectors the responsibility for administering the processes of recruitment by merit. Inspectors publicise and set the dates of selection tests, administer them, formally offer appointments on a provisional basis to candidates selected on their relative performance in such tests, conduct interviews and finally confirm the appointments. If a department wishes to recruit from outside the service to a position above the base grade, approval of the Inspector is necessary before the position can be advertised. A representative of the Inspector has the right to sit on any selection committee, and technically the approval of the Inspector is required before an appointment can be made.

8.2.9 This central control on the application of the merit principle does not apply to statutory authorities independent of the Public Service Board. The Commission has not made a detailed study of the recruitment practices and principles of such bodies. It appears that a significant number of such authorities have legislative restrictions on eligibility similar to those applying to the Public Service. The recruitment provisions of a number of authorities do not however embody any principle of merit determined in open competition.

8.2.10 As stated in paragraph 8.2.4 above the Commission endorses the principle of recruitment by merit but believes the practices at present followed to define and determine merit open the way to significant discrimination and injustice. We review some of these practices in the following paragraphs.

Restrictions on Eligibility

8.2.11 Several general restrictions on eligibility to enter Commonwealth government employment limit the range of persons to whom the merit principle applies. These restrictions also work against the administration becoming more representative of the society in which it exists (see also section 8.3). Furthermore, it was stated by several departments that these blanket restrictions slow up the process of selection so much that valuable potential appointees are lost or the department appoints the ineligible applicant but with a temporary or exempt status.

8.2.12 *Nationality:* One important restriction which excludes all applicants who are not British subjects is laid down in Section 34(a) of the Public Service Act. The requirement is consistent with overseas practice and is not precluded by international conventions relating to discrimination in occupation and employment, or by the Racial Discrimination Act. Nevertheless, it operates as a discrimination against many persons resident in Australia as a result of the immigration policy which Australian governments have pursued since 1945. Submissions to the Commission suggested that it was inconsistent for a government which sought immigrants to exclude them from employment in its own service, or permit their employment only on inferior terms and status. Perhaps more important from the Commission's point of view is the narrowing of the range of choice open to the government as an employer and the increasing disparity between the social composition of the government workforce and the community generally.

1. Public Service Board Background Information to RCAGA Volume 4, pp. 7, 8.

8.2.13 Many of the critics of the British subject requirement have suggested the substitution of an Australian citizenship requirement and this was favoured by the Public Service Board in its recommendation to the Commission.[1] However, given the high number of non-Australian citizens in the labour force, this alternative would limit still further the field from which the government can draw its employees. The fact that non-Australian residents occupy a substantial proportion of temporary and exempt positions suggests that no valid purpose is being served by their present ineligibility.

8.2.14 The Commission *recommends* that the nationality requirements for permanent appointment be abolished except where the Governor-General in Council prescribes Australian citizenship by regulation as a qualification (not a condition of eligibility) for particular positions, for example in the diplomatic or security services. R117

8.2.15 We *recommend* also that the legislation providing for the staffing of statutory authorities (for example section 21(3)(a) of the Science and Industry Research Act 1949–1973, section 68(a) of the Reserve Bank Act 1959–1966) should include a similar provision. If the Executive Council is authorised to prescribe Australian citizenship as a qualification for certain positions we *recommend* that the Public Service Board be required to list in its annual report to Parliament the number, status and location of any positions so affected. R118

8.2.16 If Section 34(a) is amended as we propose, temporary or exempt employees thus made eligible for permanent status should be advised of their right to apply for permanent status and we *recommend* that the Office of Equality in Employment (see section 8.3) should take action to this end. R119

8.2.17 *Health:* Other restrictions on eligibility for permanent appointment are concerned with health. Applicants are required to satisfy the Public Service Board as to their health and physical fitness (Section 34(b) of the Public Service Act) and in practice this usually means passing a medical fitness examination. This requirement presumably derives from the desire to avoid the costs of excessive sick leave with its resulting disruption of work, and to protect the superannuation scheme from the burden of early retirements on grounds of ill-health. The latter consideration has in our view tended to assume undue prominence. Section 19 of the Commonwealth Superannuation Act 1922–1974 effectively requires that permanent officers be members of the Superannuation Fund or Provident Account. Hence eligibility for one or other of those funds is indirectly a condition of eligibility for permanent appointment (Superannuation Act, section 5(2)).

8.2.18 In practice this has meant that the requirements of the Public Service Act have been merged with requirements prescribed under the Superannuation Act, and the one medical examination has been used to determine both eligibilities. Medical examinations have been used to reject on medical grounds persons who are less than first class risks for life insurance purposes. Since 1937 the inception of the Provident Account Scheme has permitted the government to mitigate the severity of the requirements to demonstrate sound health although these reforms have not been made fully effective.

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1. Public Service Board Memorandum No. 7.

8.2.19 It would be beyond the terms of reference of the Commission to examine the general provisions for superannuation of Commonwealth employees. Furthermore, significant changes are being made in those provisions. However the Commission considers it important that the influence of superannuation requirements should not operate unnecessarily or unjustly to restrict eligibility for appointment. We see no reason why a single medical examination should not serve to determine the health status of recruits both for employment and for superannuation provided these two issues are separately determined on relevant and appropriate grounds. We consider it necessary that the standards and guidelines used for these purposes should be subject to critical checks.

R120 Accordingly we *recommend*:

(a) that the Office of Equality in Employment (see paragraph 8.3.29) be empowered to obtain and advise on such guidelines, which should also be examined from time to time by the committee recommended at paragraph 8.2.37;

(d) that the Public Service Board publicly notify the details of any standard of fitness specified as a qualification for particular categories of work;

(c) that a decision that a recruit has failed to comply with medical or fitness requirements be subject to review by the proposed Personnel Appeals Tribunal.[1]

(d) that standards required be realistically related to the needs of the categories of work concerned and that the Public Service Board build up objective assessments of real needs.[2]

8.2.20 *Character tests*: A third condition of eligibility for appointment is that the Public Service Board be satisfied that the applicant is 'a fit and proper person' for appointment (section 34(c) of the Public Service Act). In practice, this requirement has two components. First, Public Service Inspectors conduct character checks on prospective employees. Commonwealth police staff and records are used in these checks on all male applicants 18 years of age and over. No checks are made on female applicants. Secondly, security checks are also conducted on all persons seeking employment in the second and third divisions and in certain fourth division positions where a department so requires. The Commission has not given close attention to this latter aspect as it falls within the terms of reference of another Royal Commission. Adverse reports on an applicant's character (serious criminal record, background of social or security risk) may be considered grounds on which to annul appointment during the probationary period or in some cases to withhold appointment.

8.2.21 The criteria applied in the character assessments are obscure. Until recently little attention appears to have been given to these criteria and an exaggerated secrecy surrounds them. Much potentially relevant information is hidden by the fact that probationary staff who are assessed as unsuitable may be given an opportunity to resign. Furthermore, files of unsuccessful applicants are normally destroyed. The Commission believes this obscurity makes it possible

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1. See section 8.5. This recommendation is broadly consistent with a recommendation of the Committee on Administrative Discretions (1973) and Public Service Board Memorandum No. 9, Probationary Appointments.

2. Aspects of recruitment and career planning for handicapped people are discussed in section 8.3.

that personal bias can influence the use made of this test of eligibility. We think it important that recruitment authorities should be explicit and forthright when rejecting applicants on character grounds.

8.2.22 Many Public Service Inspectors would welcome a review of the present system. One alternative canvassed proposes the abolition of the check, but retention of a general assessment of character in the normal selection or placement process. Under this proposal information about 'doubtful background' might then be sought from candidates themselves. If any failure to disclose convictions or other relevant facts were later revealed, this could be assessed in association with the person's work performance before a probationary appointment was confirmed.

8.2.23 This procedure however could accentuate rather than reduce the tendency to confuse judgments about character with those relating to other criteria of suitability for particular work. We believe that any character considerations that have influenced a decision should be explicitly identified and an opportunity provided for their validity or relevance to the work in question to be tested. We *recommend* that the requirement for good character as a condition of eligibility for appointment be revised to provide that: R121

(a) the appointing authority must be satisfied that the applicant is a fit and proper person to undertake work of the kind for which he or she is applying;
(b) if an appointing authority in making a determination is influenced by an opinion that an applicant is or may not be a fit and proper person for any particular work, then the applicant should be notified of the opinion;
(c) an applicant so notified may apply for a review of a determination;
(d) the review should lie, at the option of the applicant, with the Public Service Board or the proposed Personnel Appeals Tribunal, except that where a question of national security is involved the appropriate review process should be that for dealing with adverse security reports by the Australian Security Intelligence Organisation.

8.2.24 Considerations of national security as they affect staffing practices fall properly within the terms of reference of the Inquiry into Government Intelligence and Security Services. The Commission has consulted with Mr Justice Hope. The scheme outlined in the preceding paragraph is in our view compatible with proposals which we understand are likely to emerge from that Inquiry. We *recommend* that: R122

(a) routine security checks on applicants for appointment or promotion be limited to cases where certain security requirements are specified as a qualification for appointment to a particular position or specific type of work;
(b) such a qualification be stated and publicised in the same manner as any educational or specialist qualification;
(c) security checks no longer be a prerequisite for appointment to all second and third division positions.

8.2.25 *Graduate recruitment:* Another restriction on recruitment is the requirement that no more than 10 per cent of the year's non-specialist intake into the Commonwealth Public Service may consist of graduate recruits (section 36 of the Public Service Act). In today's conditions of generally higher levels of

education and a more professionalised public service, the Commission considers that the above restriction on graduate intake represents an outdated and largely unsuccessful attempt to ensure equity between graduates and non-graduates. The restriction takes no account of the increasing number of people with degrees from Colleges of Advanced Education, nor does it restrict the entry of graduates under a variety of cadet entrance schemes. The spirit of the 'merit principle' in recruitment will be better upheld by specifying more precisely the skills necessary to perform particular jobs than by undue emphasis on the possession of formal academic qualifications. The Commission agrees with the proposal by the Public Service Board (Memorandum No. 8) that the 10 per cent restriction on graduate
R123 recruitment should be abolished and *recommends* accordingly.

8.2.26 *Preference to ex-servicemen:* The special statutory provisions for the appointment of ex-servicemen are, in the view of the Commission, anachronistic
R124 (Public Service Act, Section 47). We *recommend* that this provision be not re-enacted when the Public Service Act is amended.

Selection Procedures

8.2.27 Supplementing the statutory criteria of eligibility are a series of statutory prohibitions, enabling the Public Service Board to establish guidelines as to what constitutes merit for appointment. These guidelines need however to be supplemented by procedures to determine an 'order of merit'. There have been several attempts since federation to find a basis for such determination. At various times selection has been based predominantly upon comparative results in public examinations conducted by the States. Difficulties about lack of uniformity and 'the problem of establishing a single merit list' led the Boyer Committee in 1959 to recommend what is effectively the current system: that for entry to the second and third divisions, possession of the Leaving Certificate should be a qualifying standard only, and that the order of merit for base grade selection should be determined by the results of a special test conducted by the Public Service Board. This test (at first called the Commonwealth Selection Test) was to 'be carefully devised to discriminate among applicants according to their intellectual ability, specific aptitude and potential capacity for undertaking the higher classes of work in the third division.'[1]

8.2.28 Following the Boyer Report, the Board arranged for the Australian Council for Educational Research to construct for it a series of tests including the Clerical Selection Test (CST), the Graduate Selection Test and the Clerical Assistant Test, designed to assess the suitability of applicants for appointment and to grade them in order of merit based on fair and open competition.

8.2.29 Scepticism as to the professional acceptability of the current selection tests was expressed in a submission to the Commission from the Senior Psychologist of the then Department of Labour and Immigration who contended 'the CST measures the person in the abstract because it has not been validated against the demands of specific jobs'. The Commission considered it appropriate to subject these tests to a critical review, and engaged Dr J. Antill to examine and evaluate the testing system.[2]

8.2.30 Until the reorganisation of the tests in 1971 the CST had been examined

1. Boyer Report, paragraphs 148–149.
2. Dr Antill's report is at Appendix 3.B.

in at least 11 validation studies carried out by officers of the Board. Of these studies, Dr Antill says:

> 'The eleven 'validity' studies which followed the test's introduction are of generally poor quality and provide little evidence which could be claimed to support the test's continued use.'

In his report he also draws attention to the fact that since the introduction of a new form of the test, implemented in 1971, no validity information has been made available.

8.2.31 Perhaps the greatest cause for concern as to the adequacy of the CST arises from a consideration within the Commission of the comparative total and sub-test scores for male and female examinees for the New South Wales CST in December 1975. CST sub-tests concerned with quantitative and critical thinking are most successfully undertaken by persons with higher levels of proficiency in mathematics, almost the only discipline in which males tend to do better than females at matriculation level. In evaluating CST scores a differential weighting is applied to these two sub-tests, magnifying their contribution to the overall test score, and producing an overall better performance by male examinees than would have been the case were it not for the differential weighting.

8.2.32 After consideration of a defence of this practice by the Board (see Appendix 3.A, Paper 7), Dr Antill has concluded that 'it would seem . . . that although there is some obscurity surrounding the precise basis used to weight the sub-tests one effect that it has had is to increase the (score) difference between males and females. The evidence here suggests that while no sex difference existed previously, there is little doubt that it does now. The onus at present would appear to be on the PSB to demonstrate that a 'corresponding' difference exists in terms of job performance.'

8.2.33 The Commission is concerned also about the effects of the tests on the opportunities open to minority groups and other less culturally favoured or less standard in our society (see section 8.3). There can be no doubt that these tests, as well as those based on traditional academic performance, are culturally biased. The result is to handicap and in many instances effectively to exclude members of substantial groups. Migrants and Aboriginals are especially affected. We note in this connection Dr Antill's comment:

> 'that tests such as the CST might well now be outlawed in the USA under the recent Equal Employment Opportunity Act which states that rather than measuring individuals in the abstract tests must measure them for a particular job. A demonstrated lack of bias, however, could possibly be used to support such a test's continued use.'

8.2.34 It seems desirable to the Commission that the commitment to merit in recruitment and promotion should be declared by statute in a form which does not depend on particular techniques of measurement and leaves scope for the Public Service Board to adapt its procedures in the light of growing knowledge and experience. A possible form of words might be:

> 'The Board shall develop recruitment and promotion procedures which rely on a careful assessment of those personal qualifications and capabilities likely to contribute to the efficient working of government administration, and which as far as possible preclude patronage, favouritism or unjustified discrimination.'

Such a declaration would make clear the basic objectives of the merit principle

while leaving the precise techniques by which it is applied to evolve rather than to become ends in themselves.

8.2.35 While noting the scepticism of many about general aptitude tests or even about more job directed tests, the alternative of reverting to the use of school leaving certificate results seems unacceptable. The earlier difficulties would now be compounded both by the heavier emphasis in some States on assessment and by the difficulty of equating qualifications obtained in different years and the results obtained under Australian and other systems of education. Accordingly, what seems to be required is improvement of the existing tests. On the evidence available to us, there is room for scepticism as to whether the current selection tests are either equitable or effective. The basic question which needs following up is whether it is possible to make the tests more effective in indicating relative merit in the sense of 'value to the service'. Such an approach should conduce to both efficiency and fairness especially in relation to the recruitment of Aboriginals, migrants, handicapped persons and others whose value to the service may not be adequately measured by the current aptitude tests or selection interview criteria.

8.2.36 The Commission believes therefore that not only is more rigorous scrutiny and research necessary into the application of the merit principle in recruitment but that in carrying out the necessary research the Public Service Board would benefit from the advice and direction of a body outside the Service reconstituted from time to time and drawn from representatives of interested community groups and professional social scientists. The Commission does not accept the proposition that contributions to the scrutiny of recruitment selection are appropriately the preserve of the necessarily select group of persons with professional interest in such matters, whether drawn from within or without the Service. The Commission believes that a standing body, having once performed its task in a comprehensive way, might well lose its critical zeal.

R125 8.2.37 We *recommend* therefore:

(a) that commitment to the merit principle should be stated in terms which allow the Public Service Board progressively to adapt its procedures to give effect to it;

(b) that at regular intervals, say three to five years, the government set up a committee with membership which would include both experts in the relevant social sciences and persons with wide experience of ethnic and other minority groups to examine and report on existing selection procedures and in particular

  (i) the scientific bases for the CST tests,

  (ii) the cost effectiveness of the tests as a means of determining merit among applicants for Commonwealth employment,

  (iii) their impact on the social composition of the Commonwealth workforce,

  (iv) means by which the then existing procedures can be improved;

(c) that the committee have authority to examine aspects of the promotion process as necessary (see also paragraph 8.5.16 (c));

(d) that for such a body to be effective in its inquiries, it should have a statutory right of full access to information relating to recruitment procedures and such other data as it may consider relevant;

(e) that the Board conduct and support continuing research in these and related matters;

(f) that the Office of Equality in Employment (see section 8.3) be given continuing responsibility for monitoring the conduct of recruitment and selection for promotion with special concern for its freedom from bias or discrimination and be required to report its findings.

8.2.38 Whatever means are used to assess merit for recruitment, they are frequently supplemented by interviews. This technique is of special importance in graduate selection or appointment to particular positions. The technique, however, is of uneven value as a means of determining relative merit. Frequently the purposes of a particular interview are imprecisely formulated, those who conduct it are inexperienced or for other reasons unskilled, and its outcome is determined by irrelevant personal attributes of the candidates or the prejudices of interviewers. It should therefore be seen as providing only a marginal component in the final choice. To minimise the risks involved the Commission *recommends*: R126

(a) that before the candidate is interviewed the interviewing committee review jointly the recorded information about the candidate and design the lines on which the interview is to be conducted;

(b) that the Public Service Board arrange training opportunities and prepare guidelines for interviewing officers;

(c) that the composition of a selection committee reflect some diversity in experience, cultural background and age, and include from time to time a member chosen by the Office of Equality in Employment to monitor the equity of its procedures;

(d) that a record of the interview be made including opinions and judgments taken into account;

(e) that applicants be informed as soon as practicable of the assessment made and that the Public Service Board have authority on the application of a candidate or on its own initiative to direct a further interview;

(f) that records of interviews be preserved for some years and be used as a basis for systematic research, including research by the Office of Equality in Employment on the effectiveness of this component in the means of selection.

8.2.39 **Role of departments and agencies:** A number of submissions proposed the transfer of the recruitment function to departments and agencies, and evidence was presented that the Public Service Board has been responsible for unacceptable delays leading to waste and loss of efficiency and that it pays inadequate attention to departmental needs in the placement of recruits.

8.2.40 While we believe there was validity at times in these criticisms we do not think they outweigh the need for the Board to bear responsibility for the maintenance of quality generally in the staffing of the Service or for economy in recruiting procedures. The centralisation of this responsibility with the Board is not in our view incompatible with greater delegation to departments and agencies. We believe the Board should use such delegations more extensively, R127 building up procedures by which departments and agencies can act for or jointly with the Board while the Board retains its concern to monitor recruitment and placement procedures to satisfy itself that they meet the requirements of equity and the merit principle.

Lateral Recruitment

8.2.41 The Commonwealth Public Service is predominantly a closed career service, but outside recruitment to positions above the base grade, or above recruitment points at which careers normally commence, occurs. Such lateral recruitment, as it is called, involves choice between available serving officers and outside applicants. Despite widespread misconception, there is no specific constraint in the Public Service Act on lateral recruitment. Lateral appointments may be made by the Public Service Board under three sections of the Act—sections 35, 37 and 38. Section 35 provides for the lateral appointment of non-specialists to the clerical/administrative area. Section 37 permits the lateral appointment of officers to professional and technical positions. Where the person is ineligible for appointment under section 35 because he does not have the necessary educational qualifications the Board may make the appointment under section 38. Despite these provisions, constraints do arise in practice from the acceptance of the idea of a career service and from the provisions of section 46 and regulation 108, which require the approval of the Public Service Board before positions can be advertised outside the Service and limit appointments to persons responding to such advertisements.[1] The Public Service Board in its Memorandum No. 2 to the Commission has proposed that heads of departments, as a rule, should decide whether vacancies should be advertised as open to outsiders, with the Board retaining a reserve power to direct the department in this matter.

8.2.42 Despite an increase in lateral recruitment to the clerical/administrative (second and third division) positions in the 1970s, it accounts for a small proportion of total recruitment to the Service. In 1973 lateral appointments represented 8.9 per cent of the total intake into this area. Further, even where positions are advertised outside the Service, the majority (75 per cent in 1973) are filled from within the Service.

8.2.43 Lateral recruitment offers both benefits and disadvantages. It can bring into the Service persons with different experience and a fresh approach to old problems. It can diversify and extend the range of skills available. It can help correct a distortion in the age profile of those employed.[2] On the other hand lateral recruitment, if unbalanced by outside opportunities to insiders, can narrow the promotion opportunities of 'career' officers. Used to excess, it can lower the morale of the work force with damaging effects on efficiency.

8.2.44 The Commission does not consider the objections to lateral recruitment of great weight. Serving officers will generally be preferred even if considerations other than familiarity with the Service are given equal or near equal weight, and they therefore have little to fear. On the other hand the occasional infusion of different experience can benefit serving officers as well. At the same time the opposition towards lateral recruitment would be eased if superannuation and

1. The waiving of education qualifications under section 38 however is treated as a 'special case' requiring the permanent head to furnish a report to the Board indicating that there is no officer available in the Service who is 'as capable' as the proposed appointee of filling the office. This restriction, intended to be a safeguard against the entry of excessive numbers of officers who fail to meet the minimum education standards for entry into the third division, has been extended *de facto* by the Board to cover all lateral appointments. This test is specified in section 38, but is also used for other lateral appointments (Public Service Board Memorandum 2, 'Lateral Appointments' p. 2).
2. See paragraphs 8.4.101–102.

other factors did not inhibit serving officers from seeking outside opportunities more freely. It is also important that procedures adopted should accord strictly with the requirements of the merit principle. The Commission *recommends* that: R128

(a) it be the responsibility of the head of the department or agency to decide whether a position should be opened to outside application with the Board retaining a reserve power to direct that this should be done;

(b) the Public Service Board and Commonwealth agencies plan to avoid becoming unduly dependent on lateral recruitment by providing opportunities for 'career' officers to acquire, through study leave, skills and knowledge which they anticipate will be required within the Service;

(c) in the selection of lateral recruits, consideration be given to the involvement of staff and outside experts as well as the Board in selection processes for positions open to lateral recruitment;

(d) the appointment of staff from prescribed statutory authorities should not be regarded as lateral recruitment but should be subject to normal promotion appeal processes.

8.2.45 Closely associated with the opposition to lateral recruitment is that towards leaving the Service and then seeking to return. This practice is restrained by loss of major benefits after a break of more than one year. The Commission considers this penalty unnecessary and indeed unwise. There is benefit to the vitality of the Service if the career patterns of senior officials contain a period of employment of a different character. Consequently, we suggest that the Board explore the possibilities of restoring benefit entitlements to officers with more than three years initial service who return to Commonwealth employment.

Educational Qualifications

8.2.46 The Public Service Act gives the Board the power to determine minimum qualifications necessary for appointment to a particular office (sections 37, 40 and 53). In 1943 the Bailey Report on Promotions and Temporary Transfers noted that the Board had exercised this power widely, rather than using its authority to conduct examinations. The Public Service Board also exercised this power frequently during the 1960s as a by-product of the major reclassifications which followed the 1961 Engineers Case.[1] In practice the Public Service Board specifies minimum requirements, generally leaving departments to specify 'desirable' requirements above the minimum.

8.2.47 There is some reason to believe that undue importance tends to be given to the possession of formal educational qualifications even to the point of regarding them as the only acceptable evidence of capacity. The Commission's examination of service records has indicated that an officer with a university degree tends to progress further in his career. Thus 58 per cent of third division officers with degrees who have joined the Service since 1962 received salary increases in excess of 80 per cent within four years of joining while only 38 per cent of the third division as a whole had received similar increases in that period. There is a risk that an anxiety to raise the general educational level of the Service

1. The Professional Engineers Cases of 1961 and 1962 involved major work value reviews by the Conciliation and Arbitration Commission of professional engineering work in public and private employment. These judgments provided the impetus for a series of salary claims by other professional groups within government employment; in many cases the salary reviews were preceded by revision of classification structures.

can cause other sources of knowledge and skill to be ignored and penalised. Other institutions acknowledge the potential relevance of these sources. Thus, in recent years Australian universities have liberalised their entrance requirements especially in relation to mature age students and students from other communities. We also note recent developments in the United States in the assessment of knowledge and skills derived from non-academic experience.

8.2.48 Similarly there is a risk that the personal advantage at recruitment of having a good academic performance before entry may be multiplied in subsequent promotions irrespective of actual performance. The initial advantage is warranted as a means of ensuring to the Service a fair proportion of the good performers at secondary school standard. The advantage to the recruit should however from there on be reflected in demonstrated capacity at work. To this capacity of course other factors contribute also—native ability, on the job experience, departmental and other training, the influence of non-work experience. Promotion should therefore be based on merit as demonstrated in performance, actual and potential. Thus, while the Service should seek its share of matriculants and graduates, this should not restrict competition for promotion, for instance from para-professionals and other currently fourth division staff.[1] We
R130 *recommend* therefore that the Board consider taking into account previous experience as a possible qualification for entry to occupational groups, with a view to giving less extensive weight to formal qualifications.

8.2.49 The tendency to attach undue importance to educational qualifications can lead also to formal qualifications being stipulated for positions although the skills and knowledge associated with them are not essential (or even desirable) for the work. Several recent reviews of departmental efficiency conducted by groups led by private consultants commented adversely upon the recruitment of staff over-qualified for particular tasks. The tendency has apparently strengthened since the Professional Engineers Case of 1961.[2] The Association of Architects, Engineers, Surveyors and Draftsmen of Australia, which is primarily an association covering technical grades believes that the skills of their members are not being adequately used because of undue emphasis on formal qualifications.[3] The Association contrasted the position in the public service with that in the private sector, where opportunities to advance into professional work are often open to able technicians and similar workers without formal qualifications.[4]

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1. This point is developed further in the section on 'Occupational Career Structures' (see paragraphs 8.4.17–31).
2. See paragraph 8.2.46
3. 'For a long time the situation has been that you have draftsmen or technical officers working side by side with professionals. Prior to 1961 if the individual showed an ability to carry out a higher level of work he had the opportunity of promotion but following 1961 with the creation of the professional engineers structure it was no longer possible for anyone without the full academic qualifications to move into this area and the area of promotion disappeared for what I would call, for want of better words, unacademically qualified people. They were cut off from attaining that level, salary-wide, and classed as second class. We see therefore the need for some development here—it might even appear to be regressive—the development of technical structure which allows the utilisation of the skills of people whether they happen to possess professional qualifications or not.'
(Transcripts 29.1.75 p. 1160)
4. 'One of the very big problems we are confronted with is an emphasis on qualifications without an escape clause allowing people into it provided they can prove their bona fides. In the private industry field we have the draftsmen's, technical grades, award. For the higher category of those outside

8.2.50 The problem is not new. In his 1920 report, Commissioner McLachlan alleged that the arrangement of the Service into divisions, combined with the prescribed methods of admission to the divisions, created anomalies. An example was:

> 'the appointment of persons to the Professional Division whose duties could not even under a most liberal interpretation be considered as professional in character, but who by reason of the examination barrier, or because of age, could not be appointed to the Clerical Division.'

The abolition of divisions proposed in Chapter 9.2 of this Report provides both a need and an opportunity to ensure that currently prescribed qualifications permit the promotion of the most efficient officer and do not prevent the recruitment of suitably capable personnel.

8.2.51 For some classes of work, such as that of librarian and accountant, there are recognised external qualifications. For others there will be practical requirements for knowledge attainable only by experience or departmental training. In these cases the options are:

(a) to specify qualifications as essential;
(b) to specify desirable qualifications;
(c) to make no specifications since determination of the most suitable candidate will automatically take account of necessary and desirable qualifications.

The new Postal and Telecommunications Commissions, with the agreement of staff associations, have grouped designations (from both the previous third and fourth divisions) into three categories:

(a) no mandatory qualifications, but qualifications may be specified as desirable;
(b) special category groups (for example Accountant, Postal Clerk, Plumber) requiring prescribed qualifications;
(c) clerical/administrative designations requiring a minimum of matriculation or equivalent education.

8.2.52 This approach makes a commendable break with earlier practice; the first group (no mandatory qualification) includes a variety of positions up to senior management; the special category group includes positions with external legally or departmentally required qualifications; the third group (minimum of matriculation education) is the most debatable, given the principle of using the selection and promotion process to secure the most suitable people in higher positions.

8.2.53 The Commission believes that selection and advancement can usefully be linked more closely with actual performance. The Commission therefore *recommends:* R131

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draftsmen it specifically does have a prescription of a certificate plus a number of years experience but then it always has the escape clause that if a person is capable of doing the work then he shall be classified, and it does allow movement into the structure of people who have acquired their ability from a wide variety of areas . . . In private industry the position is totally reversed. The normal position is that if any man has the ability—he may even have come from the trade ranks as the majority do in private industry—he moves up and the next thing you know he is out either as a salesman or has moved into some other higher level of position in the company. He is not held back because he has not a particular academic qualification.'

(Transcripts, 29.1.75, pp. 1161–1162)

(a) that mandatory qualifications be specified only for positions where
    (i) similar qualifications are prescribed or required by external authorities for comparable work, and/or
    (ii) qualifications specified are essential for the work involved.
(b) that the same principle be applied so far as practicable to specification of qualifications for occupational groups now in the fourth division.

8.2.54 A desirable consequence of the recommended shift away from prior detailed specification by the Public Service Board of minimum qualifications is that it will minimise any divergence between formal requirements for a position and the skills necessary for effective task performance. In order to expedite and
R132 render more likely the achievement of such a goal we *recommend* that the Public Service Board should delegate to departmental management the power to specify the minimum qualifications for the work being carried out.[1] Departmental managers are familiar with the work and are thus in the best position to determine what is required. Also they should be accountable for any over-specification of qualifications. Specification of qualifications for particular work should be a formal act publicly notified, and be open to review by the Public Service Board, either on the initiative of an individual officer or applicant, or by the Public Service Board as part of its review of the integrity of departmental salary classification practice. Where a review is sought by an individual the Public Service Board powers should be the same as those available to it in relation to review of classifications. On the other hand we believe that the question of determining what is an 'equivalent' qualification (that is, of interpreting the relative worth of various types of learning) is a function best exercised by the Public Service Board in the interests of avoiding major inconsistencies throughout
R133 the Commonwealth Public Service. We therefore *recommend* that the Board continue to be in full control of this aspect of the determination of qualifications.

8.3 EQUAL OPPORTUNITY OR EQUALITY

8.3.1 Our terms of reference require us to report on 'personnel policies and practices . . . both generally and in relation to particular classes of persons'. Representatives of several classes of persons, all minorities in the administration, claimed that they were being unfairly, if not deliberately, discriminated against, or that present employment practices tended to consolidate disadvantages from which they at present suffer. That is, as we mentioned in section 8.1, there is a conflict between social equity and the principles on which present practice is based, particularly in respect of recruitment and promotion on the basis of assessed merit.

8.3.2 As we have noted, these practices were adopted to proscribe nepotism and patronage in recruitment and advancement. However, to avoid these undesirable features, reliance was placed upon educational attainment and performance in tests which purported to measure genetically based intelligence or aptitude. Such reliance substituted an objective procedure for one in which personal preference, prejudice or whimsy might predominate. However, it created a position in which differing educational opportunity and cultural environment could themselves be sources of discrimination. No educational or aptitude test can be free of cultural bias, and their new importance created a position in which access to sources of

1. Salary classification, in which reference to qualifications may be a factor, is discussed in Chapter 9.2.

success in them became essential to obtain or protect privilege and in which privileged groups were best placed to secure that access.

8.3.3 There is no scientifically based evidence that would lead us to expect that the distribution of genetically based skills and aptitudes between the persons in any one social group will differ significantly from the distribution for the population as a whole. From this it follows that any test the result of which gives greater success to members of any group or groups may well be biased in some way, and that to distribute benefits in accordance with that test could well be, even if unintentionally, discriminatory. The only acceptable evidence that genuine equality of opportunity is being offered will therefore be that equality of result is seen to be achieved. The fact that any significant group of citizens is seriously under-represented in the proportionate make-up of government employment or any substantial part or level of it must be regarded as *prima facie* evidence of discrimination or disadvantage or, at the very least, of a matter deserving investigation. If therefore educational and related tests are to continue to be the bases for recruitment, and in part for promotion, equity requires that those responsible should continually:

(a) work to reduce the cultural, social and other biases in the tests;
(b) choose as the basis for such tests factors indicating or relevant to capacity to perform the functions actually involved (see section 8.2 above);
(c) take positive action to identify the handicaps which tend to disadvantage identifiable social groups and to provide members of them with the means to overcome those handicaps;
(d) diversify the sources of any elements of personal judgment which persist in the recruitment and promotion processes.

8.3.4 It has been submitted to the Commission that women, Aboriginals, migrants, the handicapped, homosexuals, older people seeking late entry to the Service, the educationally deprived and people living in remote areas all suffer from disadvantage in seeking employment or promotion in the service of the Commonwealth government. The available evidence in our view supports this submission. Each of these groups has its individual problems but there is much in common. Lack of time to examine the circumstances of all these groups has led the Commission to concentrate its limited resources on matters particularly affecting women, Aboriginals and the handicapped. However, we believe our conclusions are capable of substantial application to the problems of the other groups.

8.3.5 Our work on the particular problems of these groups, as well as the general considerations to which we have just referred, leads us to believe that the composition of the government work force should continually be reviewed by the Public Service Board and, in collaboration with the Board, by large employing departments and agencies. Accordingly, the Commission *recommends* that policy in relation to that composition should be guided by the following principles: R134

(a) a bureaucracy which is composed of able members of all substantial social groups is likely to provide the most vital, responsive and efficient service to the government and the community;
(b) employment within the various government services represents a source of training, occupational experience and personal fulfilment which should be open equally to all with the requisite potential;
(c) the government has a special responsibility to act as a wise and enlightened

employer in providing such opportunities widely as an example to other employers.

The Commission has sought to apply these principles in its analysis of the problems of the three minority groups discussed below and in the recommendations which it has based upon that analysis.

Women

8.3.6 In Western industrial societies women entering the workforce have been, until recently, either of working class backgrounds, with few skills, and thereby mainly in low status 'support' jobs, or middle class women, mainly single, with education and training, to be found in service professions. Their work in these professions was considered secondary to the primary role of housewife and mother to which they were expected to retire on marriage. In many professions, such as teaching, this expectation was enforced by a marriage bar.

8.3.7 Particularly since World War 2, in a society increasingly affluent and requiring a wider range of skills than available from traditional male sources, there has been a marked change in the role of women in society.[1] Women have entered the workforce in much greater numbers, but only recently and marginally have they moved into roles traditionally performed by men. Declining birth rates, control of fertility and increasing educational opportunities attendant on increasing affluence have accelerated this trend.

8.3.8 In Australia the private sector was able to make good a deficiency of available skills by drawing on hitherto unused pools of female labour. Even so, the increase in numbers of women has not been matched by any increase in participation by women in the higher levels of skilled 'non-service' occupations.

8.3.9 This situation in the private sector contrasts with that of public employment where progress towards equal rights for women has, until quite recently, been inhibited by legislation debarring women from pursuing a career after marriage. Skilled women, however, were frequently permitted to remain in the Service after marriage as temporary employees though generally at lower levels of salary. These legislative provisions were repealed in 1966, some time after the *de facto* acceptance by Australian society that women, including married women, should have the right to pursue a career. As recently as 1973, age restrictions effectively debarring older women returning to the workforce were removed. Nevertheless the earlier restrictions and the values expressed by them have had profound implications for female employment in the Commonwealth Public Service. Thus while women constitute over 40 per cent of the Australian workforce, they constitute only 30 per cent of staff employed under the Public Service Act.

8.3.10 The Commission's attention has not been focussed only on the numbers of females employed. It has considered also the numbers of women in positions of responsibility. The Commission notes that a substantial majority of the complaints of sex discrimination in Commonwealth employment referred to statutory authorities, particularly those business undertakings where employment practices are like those of private enterprise. Precise information about such authorities has not been available to the Commission. For the Commonwealth Public Service however a special series of statistics relating to male and female

1. See also Chapter 10.6 and Appendix 3.J.

recruitment and progression has been collected and analysed. The Commission's views have been based primarily on a consideration both of these statistics and the Public Service Board's computerised personnel records.

8.3.11 These indicate that women are to be found predominantly in occupations which offer lower rewards and limited career prospects.[1] Women employed under the Public Service Act are to be found predominantly in service occupations and in service oriented departments, and tend to be grouped largely in the lower levels of nearly all occupational structures. Their exclusion from a number of specialist occupations is often attributed to the residual effect of the marriage bar. However detailed analyses of the progression of males and females with similar qualification and service attributes strongly suggests that the lack of female representation at the top levels of occupational structures owes more to the continued operation of prejudice than to history or the lack of ability on the part of women recruited.

8.3.12 Thus while women in the third division in classes 5–11 and in all age groups have a higher proportion of degrees than men, their distribution at each level within the third division demonstrates that they serve longer before obtaining promotion. The promotion of women appears to be hampered, among other things, by lack of experience in managerial or supervisory roles, which apparently is difficult for them to acquire. Staffing patterns of several selected departments support the claim that while men supervise both men and women, rarely do women supervise men, even at the lower levels of the third division. Women rarely number among promotees to non-advertised positions or among staff chosen to attend training courses. Female promotions when they occur tend to be internal to a department rather than between departments. All these facts suggest that pre-1966 attitudes continue to influence decisions affecting the career prospects of women.

8.3.13 Consequently the Commission has concluded that, while prejudice may gradually decline, it would be unjust to rely solely on time to remedy discrimination. The initiatives taken by the Public Service Board since 1972 and some encouraging subsequent advances in employment of women are not yet sufficient to generate the necessary momentum. At least in the interim, special recruitment, training and career development programs designed to overcome the adverse effects of past discrimination and to combat remaining prejudice are in the Commission's view necessary. R135

8.3.14 Also the Commission considers that a special unit within the Office of the Public Service Board will be necessary to stimulate and monitor such programs and to identify and study problems in female employment. These functions would be appropriate to the Office of Equality in Employment which is recommended in paragraph 8.3.29.

Aboriginals

8.3.15 The Public Service Board in Circular 1973/46, 'Employment of Aboriginals: Further Measures', requested departments to review promptly their organisations and establishments in locations and in respect of functions, in

1. Statistics on matters referred to in this section are to be found in Paper 10 of the Career Service Study at Appendix 3.A.

which services are provided to significant numbers of Aboriginals. This review was intended to identify existing jobs or potential jobs for which an Aboriginal background could be a significant factor in the efficient performance of the duties concerned. From information available it seems that departments have not actively or effectively carried out this review.

8.3.16 The Commission recognises that Aboriginal descent, unsupported by adequate education, training and experience, will not equip a person to deal with the complex problems that arise in the administration of Aboriginal Affairs,[1] and in relation to Public Service work more generally it cannot be doubted that it would widely be regarded as a handicap. Special and urgent action is needed to train Aboriginals for this work if it is not to remain substantially closed to them. The Commission is satisfied, from the experience of other countries (and of Papua New Guinea in particular), that a bold and imaginative program of special recruitment, training and experience could achieve substantial Aboriginal participation in departmental work within a few years and thereafter ensure in all government departments and agencies fair and reasonable opportunities for Aboriginal Australians. Negligible numbers of Aboriginal Australians are employed in the Public Service and few in government employment generally.[2] This reflects primarily the fact that access to the sources of educational qualifications necessary have in the past not been open to them.

R136 8.3.17 The Commission *recommends*, therefore:

(a) that the government authorise the Public Service Board to design and put into effect a 5–10 year program of special recruitment and training of Aboriginals in
  (i) the Department of Aboriginal Affairs,
  (ii) other departments with significant Aboriginal to total client ratios,
  (iii) the administration generally;

(b) that this program take the form of traineeships of limited but adequate duration designed to enable successful trainees to apply for base grade and lateral appointment to the relevant levels and sections of the Public Service and other agencies;

(c) that departments, with assistance from the Office of Equality in Employment (see paragraph 8.3.29), should immediately undertake the review proposed by the Board in its 1973 circular, amending duty statements as appropriate and preparing relevant guidelines for the use of personnel sections in departments when they are recruiting persons to positions for which an Aboriginal background is a significant factor in the efficient performance of the duties concerned;

(d) that appropriately designed programs of general education, specialised training and graduated experience be developed to equip different categories of trainees to enter, at various levels, Commonwealth government employment and Aboriginal incorporated organisations;

(e) that formal educational programs required for this purpose be provided as far as possible by institutions outside the government service by special arrangements where these are necessary;

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1. See Chapter 10.5, The Administration of Aboriginal Affairs.
2. For statistics, see Appendix 3.I.

(f) that the Office of Equality in Employment within the Public Service Board and the Department of Aboriginal Affairs be responsible for the development and supervision of these programs;

(g) that the Office of Equality in Employment report annually to the Board and to the Minister for Aboriginal Affairs on progress achieved.

The Handicapped

8.3.18 The term handicapped is used to describe a person with a disability—physical, mental, social, emotional or academic—which limits his activities. A handicap need not, however, be a barrier to employment, and it has been the policy of the Commonwealth government and of the Public Service Board to provide employment opportunities for handicapped persons.[1]

8.3.19 The handicapped are not a homogeneous group; each has actual or potential individual skills and competences. All jobs can be considered as potentially open to some handicapped person, subject to careful individual selection and placement. The administration contains such a range of jobs that handicapped people could be matched with positions within it. Despite this, entry poses particular problems for many handicapped applicants, problems which derive from selection techniques, medical standards and, in some cases, the identification of appropriate vacancies.

8.3.20 The Commission considers that the policy of providing for employment of the handicapped in the administration has not been put into effect as energetically as necessary. Precise assessment of the opportunities which have progressively been opened for handicapped people is impossible, since uniform statistics are unavailable. We *recommend* that, in order to provide better data, persons requiring special placement be defined as handicapped, and that uniform statistics be collected by special placement officers for submission to the Office of Equality in Employment. R137

8.3.21 An effective policy to promote employment of handicapped people requires new and more flexible procedures for recruitment, placement and advancement. The Commission *recommends:* R138

(a) that a wider range of selection tests be designed to enable greater numbers of handicapped staff to be offered permanent employment and that adequate performance in a temporary position should also provide a basis for permanency;

(b) that greater guidance be given to medical officers on the application of the three year standard for permanent appointment to the Service, and that handicapped people be examined by a practitioner with specialised knowledge of their disability;

(c) that specialised training be provided for placement officers appointed to counsel and assist in placing the handicapped and that the position be recognised as full-time, to enable such officers to monitor the success of placements and to liaise as necessary with departments, agencies and relevant community groups;

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1. The Commission arranged for a special study to be made of employment opportunities for the handicapped in the Public Service. Extracts from the consultancy report, and from responses to it, can be found at Appendix 3.H.

(d) that training practices be developed to alert personnel officers and supervisors to the range of abilities of the handicapped and the difficulties they encounter in employment;
(e) that greater attention be given to the training needs of the handicapped;
(f) that all buildings occupied by the Commonwealth government be progressively adapted by the Department of Administrative Services to meet the needs of handicapped people;
(g) that action be taken by the Public Service Board to collect statistics on the employment of the handicapped for the use of the Office of Equality in Employment;
(h) that the Office of Equality in Employment provide advice to departments and agencies on the implementation of government policy to provide employment opportunities for the handicapped.

Action to Promote Equality in Employment

8.3.22 The Commission has concluded that some apparently neutral recruitment, selection and promotion processes serve to perpetuate the results of past discrimination and to compound existing inequalities. Special programs will in some instances be necessary to correct such long-standing patterns of inequality. The Commission is conscious, however, that special programs can be most effective in dealing with problems which persist or emerge despite a general climate of opinion and despite patterns of organisation which favour and are intended to achieve equality. The Commission has given careful thought to the following questions which seem to bear upon these tasks:

(a) is the achievement of equality advanced by legislation which proscribes discrimination?
(b) what organisation within the government administration should have responsibility for designing and giving effect to special programs to promote equality; and what powers and resources should it have?

8.3.23 **Legislation against discrimination:** The Public Service Board has endorsed the principle of equal opportunity and has established an Equal Employment Opportunity Section within its Personnel Management Division. Nevertheless, the Board has told the Commission that it is opposed to legislation to prohibit discrimination in government employment of the kind which exists in the USA and the United Kingdom. It argues that discrimination is 'of its nature extremely difficult to define and prove' and that the inclusion of an anti-discrimination clause in the Public Service Act 'would require the development of complex administrative and review machinery specifically for the Public Service'.

8.3.24 Underlying these arguments is a concern which has been expressed to the Commission from other sources also whether legislation is an appropriate means to counter the effect of deeply-seated prejudice or whether, to the extent that it imposes unwilling compliance, it does not serve to exacerbate and embitter that prejudice and delay its gradual elimination by persuasion and social pressure. This is a difficult issue. Nevertheless the Commission feels it must give weight to the declaratory value of legislation on important social issues. A law which proscribes discrimination can be seen as a moral judgment by the community as a whole and therefore a powerful instrument itself of persuasion and social pressure, strengthening those who wish to resist discrimination, stiffening the resolution of

the waverers and giving those inclined to discriminate reason to pause and reconsider. The Racial Discrimination Act, of course, goes some way towards meeting the problem. Pragmatic evidence from experience in other countries, in particular from Canada and the USA, where a need is acknowledged for special machinery relating to the Civil Service, and from Britain, where the Sex Discrimination Act of 1975 covers all employment, appears to the Commission on balance to support a judgment in favour of such legislation where the purpose accords with the moral and political principles on which the society concerned is based, and where it is backed by widespread and disinterested support. We believe these conditions exist in Australia.

8.3.25 In the light of what we have said above we *recommend* that Parliament legislate to require all agencies of the Commonwealth government to exercise any powers or discretions they possess in a manner which does not discriminate in employment on grounds of race, creed, sex, age, marital status, political belief, security record or educational qualifications, except where reasonably and justifiably required for the effective performance of the work to be undertaken. The law should however provide that this requirement should not prevent action, taken with the approval or on the direction of the Executive Council, to confer rights or advantages on members of a group designated as disadvantaged. R139

8.3.26 The proposed categories of prohibited discriminations are for the most part self-explanatory. It is important to understand that discrimination reasonably related to work requirements is not proscribed. Thus for instance discrimination on grounds of security record or lack of educational qualifications could be sustained where it was reasonably justified by the nature of the work to be undertaken.

8.3.27 Groups designated as disadvantaged could include those already referred to (see paragraph 8.3.4 above) but might also include ex-servicemen, victims of natural disasters, or others for whom, from time to time, the Executive Council approves special concern. The establishment of programs for such groups is consistent with and indeed may be required for the effective elimination of discrimination from government employment.

8.3.28 A statutory duty to avoid discrimination of the kind we recommend could impose new responsibilities upon heads of departments and agencies, and others with managerial responsibilities and even more importantly on the Public Service Board as the central personnel authority. Reasonable time should therefore be allowed after the enactment of the relevant legislation to permit these and other authorities to modify existing practices. It would also impose upon the Public Service Board, as the central personnel agency, the duty of promoting equality in employment.

8.3.29 **An Office of Equality in Employment:** The Commission is conscious that anti-discrimination legislation alone can do little to correct the consequences of past discrimination, to achieve real equality in access to the sources of the skills upon which success in government employment increasingly depends, or to bring under sharper notice discriminations which are built into the system which otherwise are likely to be ignored. Consequently, the Commission *recommends* also that, within the ambit of the Public Service Board, there should be established an Office of Equality in Employment with a wide ranging charter to pursue these purposes. R140

8.3.30 We envisage that the Office will replace the existing Equal Employment Opportunity Section but that it will remain within the Board, and have access to the Board's functional services and information including Mandata. The need for a conscious effort to deal with discrimination of the types we have outlined is still a novel feature of personnel management. This and other aspects of the problem distinguish discrimination from other personnel matters and, therefore, while the unit concerned with equality in employment should work closely with the
R141 Personnel Management Division, to ensure that adequate weight is given to this problem, it should be outside this Division and its Director should have direct access to the Commissioners of the Board.

8.3.31 The Office of Equality in Employment should collect information about discrimination which is built into the ways government employment is administered, and having identified the source of bias, should consider and
R142 recommend means for correcting it. To do this the Office must be able to require reports from all agencies, including in such reports any statistics on recruitment training and promotion it may require and indicators of progress towards equality.

8.3.32 We envisage that the Office will establish firm links with all statutory authorities, not only to facilitate the collection of comprehensive statistics but also to identify and study their problems relating to the employment of minority and handicapped groups, and to assist the authorities in special recruitment and training programs.

R143 8.3.33 We endorse the proposal by the Public Service Board (Memorandum No. 18) that Equal Opportunity Liaison Officers be appointed in each department, and suggest that such appointments be made also in statutory authorities. Such appointments would improve formal and informal lines of contact, for example, between the Director of the Office and departmental and agency heads, between staff of the Office and personnel and training officers. Liaison officers should work through the normal staff communication and consultation channels; consultations on a representative basis should follow the pattern of consultation on industrial relations questions.

8.3.34 The immediate task of the Office would be to oversee the implementation of policies in relation to Aboriginal Australians, women and the handicapped, as well as people previously discriminated against by the nationality bar (see section 8.2), while special programs for them continue to be necessary. One measure of the success of the Office will be the speed with which such programs become unnecessary. The Commission would therefore wish the organisation of the Office to be flexible enough to redirect efforts in response to changing circumstances. However there would be advantages if particular programs were the responsibility of identifiable sections of the Office, staffed by officers who could build up a background of knowledge and effective communication with the disadvantaged group with which the program was concerned. Programs will of necessity be experimental. Not all will succeed, and some will succeed only after patient effort. Short term appointments to the Office may be desirable to maintain vitality and freshness of approach. The Commission
R144 *recommends* therefore that the staff of the Office have limited tenure in their particular positions. This could be achieved by fixed term secondments from

other sections of the administration, and by contract appointment of outsiders with relevant experience or expertise.

8.3.35 **Means of redress:** The Commission has not recommended action to make specified employment practices unlawful, or to provide for civil actions on breach of the proposed statutory duty to avoid discrimination (see paragraph 8.3.25). We do consider, however, that there is need for a clearly identified system of review of alleged breaches. It is not enough, in our view, to leave such matters to the expensive and complicated processes of judicial review. Some more readily accessible grievance mechanism is necessary. We consider it appropriate that the Office of Equality in Employment should have a role in relation to individual complaints of discrimination. This role is complementary to the broader one of surveillance which also will alert the Office to cases of discrimination. Consideration of complaints about discrimination or about decisions considered contrary to the spirit and intention of the equality in employment program will focus attention on areas of special difficulty and perhaps on the need for special programs. Investigation, counselling, and conciliation would provide opportunities for the Office's staff to gain insight into practical difficulties, and to engage in constructive discussion of the aims of the program with people throughout the administration, leading to better mutual understanding. The lessons learnt from settlement of cases would provide a foundation for improved policy.

8.3.36 The Commission *recommends* therefore that complaints of unjustifiable discriminatory action made to the Office or referred to it by the Board be investigated by the Director. Procedures generally applicable to grievances of staff would appear to offer an appropriate framework for the initiation and initial examination of such complaints by agencies (see section 8.5 below). In cases where, after investigation, the Director considers a complaint is justified, conciliation between the individual affected and the agency involved should be attempted. Such conciliation, the proposed statutory obligation on managers to avoid discrimination, and the possibility of public censure of any unwillingness to implement equal opportunity policies, should in most cases lead to satisfactory resolution of the difficulty. However, in cases where conciliation is unsuccessful, the aggrieved person would be free to appeal to the Board or go to the Commonwealth Service Ombudsman (see section 8.5).[1] Those employed outside the Public Service Act would of course also be able to avail themselves of the Commonwealth Service Ombudsman. It is also open to complainants in cases of alleged discrimination on racial grounds to go to the Commissioner for Community Relations for such cases to be investigated. R145

8.3.37 The difficulty of establishing discrimination in individual cases is widely acknowledged. The Commission considers therefore that an appropriate administrative practice for determining whether complaints are well-founded would be for the Director of the Office of Equality in Employment to require the agency concerned to establish that discrimination has not occurred and that no form of indirect or systematic discrimination has prejudiced opportunities open to the individual complainant.

8.3.38 Finally, we emphasise that the role of the Office of Equality in Employment in such investigations should not detract from its activities in policy

1. A minority view by Commissioner Munro on this matter can be found at the end of section 8.3.

development or the conduct of positive programs to assist particular groups. Moreover, it must be recognised that special investigatory skills are not necessarily possessed by staff employed to undertake policy and program work.

R146 The Commission *recommends* therefore that the Office of Equality in Employment have staff resources appropriate to both functions and that it be organised in such a way that the performance of neither suffers. This suggests two streams of staff, each expert in their particular field. The Director of the Office should, however, have responsibility for both functions. To enable him to perform these functions

R147 effectively we *recommend* that the Director have direct access to heads of departments and agencies.

The following reservation has been expressed by Commissioner Munro on the matters discussed at paragraph 8.3.36:

> While acknowledging the importance of conciliation and counselling in grievance resolution, I press for acceptance of the need for some ultimate sanction and enforcement of the duty imposed upon management and staff to avoid discrimination. An authority external to the Public Service with power to enforce a suitable range of remedies in appropriate cases is necessary to reinforce the work of the proposed Office of Equality in Employment. The Racial Discrimination Act illustrates one means of linking enforcement provisions to an anti-discrimination clause. The United States Civil Rights Act provides a possible model and relevant experience in the context of public employment in a federal system with some similarity to our own. Without either enforcement provisions or continuing detailed oversight by a body external to the employing authority, institutional pressure in Commonwealth employment against inequality in employment is likely to continue to lag behind overseas practice and what is necessary to change attitudes.[1]

8.4 MOTIVATION, REWARDS AND PENALTIES

8.4.1 Whatever may be the value or influence of career service principles in shaping the recruitment process and its outcome, career service expectations and security of tenure are believed by many members of the public to be destructive of efficiency, organisational dynamism and individual ambition.

8.4.2 The Commission does not believe that career service entitlements lead to inefficiency. Rather we are convinced that where there is inefficiency the causes lie in management practices and employee attitudes which tend to develop in any large, relatively specialised and stable workforce. In such conditions it is difficult to provide effective motivation for work and the problems of management become more complex.

8.4.3 During one of the Commission's inspections[2] a lower ranking third division officer said:

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1. For an exposition of the inhibitions of a Central Personnel Agency implementing a policy of equality in employment, see the Report of the United States Commission on Civil Rights, July 1975: 'The Federal Civil Rights Enforcement Effort, 1974'. The Report critically reviews the performance of the United States Civil Service Commission whose functions generally parallel those of the Commonwealth Public Service Board in relevant respects.
2. See Chapter 1.2.5.

'No matter how good you are you don't get anywhere. I won't be fired if I am a bad worker; I won't be promoted if I am a good worker.'

He clearly felt the lack of effective motivation. Although exaggerated, the comment reflects the feelings of many career service officers particularly those in more routine functions outside the Australian Capital Territory.

8.4.4 Not everyone who enters government employment at the bottom can expect to be promoted to the top. Nor can it be expected that government employment will be free of inefficient staff, or that management will always exercise effective discipline. However, it is often urged that inefficiency and indiscipline are encouraged because managers and employees have been too sheltered. In this section of the Report the Commission explores some problems related to motivation, advancement and discipline within the career service and their relevance to efficiency, accountability and the rights of employees.

The Relevance of Rewards to Recruitment and Performance

8.4.5 All government employees derive two major kinds of benefits from their employment as public servants:

(a) benefits contingent only upon *membership* of the Service (for example, sick leave, security of tenure, superannuation, variety of job opportunities);

(b) benefits contingent upon *performance* in the Service (for example, salary level and rate of promotion).

8.4.6 While the benefits of the first kind presumably attract new recruits to the Service, they have little bearing on the effort or enthusiasm displayed in work. Good performance is more likely to be encouraged by rewards that are clearly related to an employee's contribution.

8.4.7 The evidence available to the Commission suggests that too little attention is given to the differing effects of different types of reward for working. Moreover, effects of any particular 'reward' are likely to differ for different types of public servants. For example some people are for good reasons interested only in the financial rewards of working and are unlikely to respond in the same way to increased opportunities for participation and challenge in their work as are those who are most deeply involved in the work they do. 'Challenge' is not considered as a 'reward' by both types of worker.

8.4.8 Even where something is valued by employees (that is, is a potential reward), it is still unlikely to encourage improved performance unless it is seen to be contingent upon improved performance. Fortunately, modern theory and research suggest that both job satisfaction and performance can be simultaneously increased by relating rewards directly to job performance.[1] The importance of clear links between performance and rewards has also been emphasised to the Commission by one of its consultants.[2]

8.4.9 In practice however it will not always be easy to link unambiguously individual contributions and individual rewards. Difficulties include:

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1. See for example, E. Lawler *Pay and Organisational Effectiveness: A Psychological View*, McGraw Hill, 1971.
2. Mr B. F. Jones (see the recommendations from his report, Salary Classification in the Australian Public Service, at Appendix 3.C).

(a) the measurement of the contribution of individuals to some classes of work;
(b) the differing perceptions of the links between performance and rewards;
(c) the desire of unions to protect previously won concessions.

In effect it is primarily by promotion that performance is directly rewarded, and opportunity to reward it therefore becomes important at times and in parts of the Service in which growth is rapid. In theory, increments are granted under section 31(1) of the Public Service Act subject to satisfactory performance but, except in isolated cases where a qualifications barrier exists, they have become nearly automatic. Thus no distinction is made between mediocre and above average contribution to work in terms of salary received.[1]

8.4.10 A reward system which relied less on promotion would be welcomed by officers in occupations with a limited career structure. It would also reduce the costs in areas where at present good work can be rewarded only by promoting the officer out of the work he is doing efficiently. A classification system with a large number of grades or levels having fixed salary ranges will cause frequent changing of jobs as officers strive to gain promotion. This in turn can mean more frequent interruption of work and more time spent learning the job compared with the time spent being fully effective on the job.

8.4.11 The section of this chapter dealing with occupational career structures (paragraphs 8.4.17–31) shows that the size of salary ranges differs between occupations within a particular class. Although the number of work levels in the clerical-administrative area has been reduced over some decades the salary ranges within levels remain relatively narrow. Staff organisations generally oppose proposals for a further reduction in the number of occupational grades, predominantly, we believe, because of general staff resentment towards the uncertainty and disturbance for individuals associated with broad-banding classifications. There are, however, precedents within the service for wider salary ranges, for example Medical Officers and Legal Officers.

8.14.12 A submission by the Australian Government Lawyers' Association argued for personal (that is, performance based) classification, asserting that, 'the present incremental range for the Legal Officer is too long' and:

> 'that in recognition of the fact that legal officers who perform duties at the top of the Legal Officer or Senior Legal Officer scales for long periods because of lack of promotional opportunities develop a degree of expertise far in excess of that normally to be expected from occupants of such positions in the ordinary course of events, a system which allows a reclassification of such positions on a basis personal to the occupant should be introduced.'[2]

We commend the flexible arrangements which have been introduced for such occupational groups as Research Medical Officers and Research Scientists and
R148 *recommend* that similar arrangements be extended to other professional areas where there is scope for personal initiative. A need for such measures has already been recognised to some degree, and the principle is embodied in a recommendation of the joint Public Service Board-department Engineers Review Team which proposed the creation of a system of reserve pool promotions.

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1. Section 31(4) allows the permanent head to defer an increment, and there is a statutory right of appeal to the Public Service Board against such a decision.
2. Submission No. 739, paragraph 35.

8.4.13 The reintroduction of discretionary increments for clerical-administrative positions is attractive in principle, but past experience of their use is not encouraging. In 1920 McLachlan listed the following criticisms:

(a) different views on the part of Chief Officers (of departments) as to 'the importance and value of officers' duties', seniority, or personal considerations, conflicted with the Commission's policy which sought to 'secure uniformity of treatment and of variation of work';

(b) the Chief Officers did not have the power to make the final decision, but merely made a recommendation to the Commissioner. The Report noted that frequently their recommendations had not been accepted;

(c) the discretion created discontent amongst officers, in particular because

  (i) departmental management could blame the Commissioner for the decision not to grant advancement,

  (ii) the failure to recommend was not accompanied by any explanation: the system was not open,

  (iii) it 'establishes a sense of grievance in a fairly large section of officers, as it is inevitable that, in discriminating by efficiency and value of work at one time or another, many officers will be denied one or more increments which rightly or wrongly they think they should have obtained.' It was further argued that this unsettling effect upon officers was reflected in their work and fostered a spirit of antagonism towards those administering the Act which was not conducive to 'efficiency and contentment in the Service'.[1]

8.4.14 Furthermore the Commission is aware that there is such a widespread conviction that reintroduction would be only temporary that this expectation would be self-fulfilling. Certainly the Commission would not favour reintroduction in the absence of reforms it proposes in staff counselling, assessment and more effective consultation and participation, and unless:

(a) officers concerned were advised of the decision and the reasons for it;

(b) responsibility and power in relation to increments rested in the one person.

Given these conditions reintroduction should be seriously considered. Effectiveness would be helped if the Board were to give broad guidelines to departments, suggesting, to take an example, that it would be exceptional to recommend more than 80 per cent of increments be granted and could lead to examination of the standards being applied. We *recommend* that the Board examine these possibilities and have them referred to Joint Council for consideration and advice. R149

8.4.15 Pay and performance could be more directly linked if department heads had discretion to classify certain positions according to the qualities of the successful applicant, for example, a position could be classified as either class 6, 7 or 8 depending upon the experience and skills of the incumbent. This procedure would resemble the private sector practice of advertising positions with the proviso 'salary negotiable'. Authority for such discretion might be sought from the Board by departments and agencies in relation to individual positions or classes of position. The use of this flexibility would need to be adequately justified or would lead simply to a lowering of standards. R150

8.4.16 Some types of work lend themselves more readily than others to the design of rewards linked with performance. Those in close touch with such areas

1. Report of 1920 Royal Commission, p. 41.

(including those who work in them) are best placed to identify such opportunities. We believe that the more frequent recognition and use of these opportunities will be one of the 'entrepreneurial' benefits which could flow from the delegation of greater authority in personnel matters to departmental heads and other managerial staff.

Occupational Career Structures

8.4.17 Not surprisingly the Commission received a large number of submissions asserting deficiencies and injustices in the salaries of particular occupational groups. Because of this we have made a special study of career prospects for members of certain groups.[1]

8.4.18 This study examines the apparent influence of the occupational category on career opportunities, excluding the effect of other factors such as divisional status, geographic location and educational qualifications. The occupational groups studied were Clerical Assistants, Technical Officers, Nurses, Typists, Steno-Secretaries, Clerical-Administrative, Engineers, Scientists, Legal Officers and second division officers. Various indicators of career opportunity were examined for each group:

(a) salary ranges;
(b) proportion of group receiving highest and lowest salary level;
(c) salary increases apart from promotion;
(d) staff growth rates and separation rates.

We examine each of these in turn below.

8.4.19 *Salary ranges:* Within the third division there are not significant differences in salary ranges between different groups, whereas in the fourth division the ranges in the Technical Officer and Nursing structures are much wider than those of Clerical Assistants, Typists and Steno-Secretaries. In other words, the former two provide a career structure in some ways comparable with the third division groups although they do not offer proportionately as many positions in the higher levels.

8.4.20 *Salary levels:* All groups studied showed a decline in the proportion of the group receiving the lowest grade of salary.[2] However the opportunities actually available to move to higher levels varied widely from group to group. Least well-off in this respect are the predominantly female occupations of Nurse, Typist and Steno-Secretary. In the professional groups a high proportion reach the highest salary level within the occupational structure, although evidence from the study suggests that generally it would be likely to take longer to reach that level than it would within the clerical-administrative structure.

8.4.21 *Salary increases:* Salary increases awarded by the Public Service Arbitrator or granted by the Public Service Board are the sole sources of increase to an individual officer if he remains at the same work level. Even more important in determining actual pay increases is the scope for promotion. Of the groups studied, those for whom such opportunities are greatly limited have received the highest percentage salary increases excluding the effect of promotion. This result

1. 'Comparative Career Opportunities'. See Commission Document 873, on microfiche.
2. When this upward drift in the distribution of positions occurs without associated changes in the work being performed, the phenomenon is referred to as 'classification creep'.

reflects in part the influence of reviews applying the principle of equal pay for women. Those who fared relatively badly were Technical Officers and second division officers. The limited information available about the relationship between salary increase and length of service indicates a relatively favourable position for non-professional graduates compared with professional graduates. Reference to data on median length of service suggests that a given percentage salary increase is realised more quickly in the clerical-administrative structure than in the clerical assistant structure.

8.4.22 *Growth and separation rates:* Growth rates in staff are related to an expansion in various types of work. Increases in rates of growth lead to greater promotion opportunities, thereby influencing the rate at which an individual may move through an occupational structure. Staff growth rates are thus a significant determinant of increased pay resulting from promotion. Separation rates, that is, vacancies arising from resignation, retirement, or death, also influence promotional opportunities. In other words the expansion of certain types of work creates a special demand for relevant skills, leading to a 'sellers market' for those skills. This is true of the public as well as the private sector. Such a market for particular skills can lead by 'flow-on' procedures to general upward moves of salary rates and the costs of government.

8.4.23 An employer, in this case the Public Service Board, cannot be held to account for differences in opportunities and achievement which are the result of government policies and the general state of the labour market. There are however, a number of long run personnel policies which may well simultaneously increase career opportunities and lead to a more efficient use of human resources thus benefiting both employer and employee. Some of these are reviewed below.

8.4.24 *Occupation restructuring:* One policy which can contribute to these ends is that of consciously changing the content of traditional occupations to transfer skills between different jobs, thus eliminating dead-end jobs and increasing the opportunities for movement to other classes of work and for promotion.

8.4.25 The need and the potential benefits from such restructuring can be illustrated by reference to the position of typists and steno-secretaries. These employees have very limited career opportunities, with the overwhelming proportion of typists concentrated at or near the base grades and with steno-secretaries' advancement halting at Personal Secretary status, which 5 per cent attain, at a salary level no higher than a Clerk Class 4. This is a career pattern which developed at a time when the working life of most typists and secretaries was expected to be limited. Even then it involved waste and personal injustice but in present circumstances it appears utterly indefensible. All of these employees are skilled to some degree and some at a high level of competence. Many acquire wide experience, good judgment and a capacity to manage small organisations. To widen the scope for their advancement would bring clear benefits to the Service. This can be achieved by:

(a) establishing new positions combining typing and secretarial work with clerical work;
(b) offering wider opportunities for training in clerical and other skills;
(c) breaking down unnecessary educational barriers to entry to other grades, at least where work performance has demonstrated adequate capacity.

8.4.26 There appears to have been resistance to such changes. This reflects in part simply inertia, but in part the belief that the changes may affect the privileges and opportunities of more senior staff. The Commission believes that the changes
R151 are long overdue and *recommends* that the Board act promptly to achieve them.

8.4.27 Opportunities for the restructuring of occupations are not confined to the typist and secretarial group. They can be particularly important when technological change affects the conduct of the administration's work. The
R152 Commission *recommends* that the Public Service Board arrange studies of the work of occupational groups which tend to be heavily weighted in the lower grades and which have limited promotional opportunities, with a view to restructuring those occupations.

8.4.28 *The creation of job ladders and career paths:* The terms 'job ladders' or 'promotion ladders' refer to patterns of jobs which indicate possible progressions and can incorporate horizontal as well as vertical movement, especially where the more senior positions require a broad base of experience. The existence of explicit job ladders, clearly understood by staff, can encourage people to enter the Service
R153 and to commit themselves to a career within it. We *recommend* that the Public Service Board assemble and publicise characteristic patterns of promotion which are open to different categories of employees. The assembly of such patterns may provide valuable information on which job restructure can be based.

8.4.29 *Eligibility for study assistance:* To make the best use of its human resources and to offer the greatest scope for promotion and self-fulfilment, government employment should offer generous access to training opportunities. The criterion of eligibility for training for higher level positions should be successful performance in a lower level position.

8.4.30 The present practice by which help is given to employees to improve their capacities seems to be biased. Opportunities are more freely open to third than fourth division officers and preference is given to university study compared
R154 with technical college courses. The Commission *recommends* that these discriminations be reviewed.

8.4.31 *Other possibilities:* Recommendations made elsewhere in this Report would also serve to improve the use of staff capacities and thus to offer wider and more diverse opportunities. In particular we refer to:

(a) increased mobility between the Public Service and statutory authorities and with the private sector (see Chapters 9.4, 6.3 and 11.6);
(b) the abolition of divisional barriers (Chapter 9.2);
(c) the review of qualifications required for particular work (section 8.2 above).

The Commission has given some thought also to:

(a) establishing a single salary schedule with more significant incremental ranges;
(b) the integration of certain specialised occupational groups.

R155 However it believes that these possibilities require further study. It *recommends* that the Board examine them as changes occur in the wage and salary structure.

Assessment of Performance

8.4.32 Methods of assessment of individual performance are basic to any

adequate system of merit advancement, work motivation, or performance accountability, and are therefore of intense interest to individual staff and managers. Some form of performance appraisal will occur with or without conscious guidance: the question is whether it should be informal and casual, or systematic, that is, undertaken and recorded regularly on the basis of agreed guidelines.

8.4.33 The use of staff assessment systems in the Commonwealth Public Service has generally been haphazard and few resources have been devoted to their development. Most departments which have assessment schemes have introduced them without much detailed research or experimentation. They have often been informal and unrecorded and, as a consequence, subjective and unreliable. Only thirteen departments or instrumentalities are currently operating schemes, compared with seventeen in 1969 and eleven in 1960. Regrettably there is no information on the use of staff assessment in most statutory authorities where significant numbers are employed.

8.4.34 Recently there has been greater recognition of the need to devote more resources to staff assessment. In 1974 the Public Service Board, in response to the initiative of the Council of Australian Government Employee Organisations, issued draft guidelines to departments and staff organisations. The majority of departments who responded to the Board's guidelines were in favour of increased formality in their staff assessment schemes, although some reservations were expressed as to whether scarce resources should be diverted into their development. The Commission *recommends* that the Board pursue the initiative it has taken in offering guidance and assistance to departments and agencies in the development of staff assessment schemes, and that departments respond more actively to that initiative. The Commission considers that formal staff assessment is critical to improved selection for promotion. It will also provide the officer being assessed with the opportunity and the basis for improvement in his performance. R156

8.4.35 Staff assessment schemes sometimes have several potentially conflicting objectives. To management their primary purpose may be to improve efficiency by assisting the person assessed to improve his or her performance. To staff they may be seen primarily as an instrument to confer or withhold reward through pay or promotion. This concentration on monetary rewards is not surprising in a Service in which at least 70 per cent of the workforce is in the fourth division and earns salaries less than $9000 with little prospect of significant improvement in income or status. Improved assessment schemes are not likely therefore to lead to general satisfaction with the assessments themselves, but if implemented carefully they can provide positive benefits. In particular they might lead to a reduction of the number of frivolous appeals against provisional promotions.

8.4.36 The Commission agrees with the Public Service Board's warning against the introduction of a uniform, Service-wide assessment scheme. The Board has stressed the importance of leaving decisions about the introduction and use of such schemes to the discretion of department heads. The stated policy of the Board has been based on two main considerations: first, that the abilities and skills required for positions in a variety of departments are not sufficiently homogeneous to allow a uniform system to be installed; secondly, that the positive involvement of senior departmental officers is essential to the success of any such

scheme. We would add that in our view, the thoughtful participation of staff in the development of the criteria and mode of assessment is equally essential if the purposes of performance assessment are to be met.

8.4.37 It seems to be generally agreed that for a staff assessment scheme to be successful:

(a) both management and staff must be involved in its design and committed to its success;
(b) its objectives must be simple, its techniques clear and well understood, and its results capable of being expressed quantitatively;
(c) conclusions drawn from assessments should be acted upon promptly;
(d) it should be subject to periodic review by staff and management.

8.4.38 There is less unanimity on the question of whether members of staff should have access to the assessments. A persistent complaint in submissions and oral evidence from staff representatives to the Commission was the lack of knowledge on the part of officers of how they were being assessed, and a belief that secret and possibly adverse reports existed. These complaints are a serious source of frustration and resentment. In the Commission's view, secrecy is not justified and is detrimental to good staff-management relations.

8.4.39 The benefits which a carefully implemented scheme can provide will depend on discussions of the assessment between the assessor and the person being assessed, in which the strengths and weaknesses of each other's performance can be discussed and improvements sought. We note and commend the idea, developed in the Corbett Report on the South Australian Public Service, that supervisors be reminded constantly that their own performance is also under scrutiny, not only by their superior officers but also by subordinates. The mutual character of the discussions could also contribute to a more democratic and satisfying life at work. They may require, however, fundamental changes in attitudes and values among assessing officers.

8.4.40 The assessment of staff is not easy, and those responsible need training and experience. Departments which have experimented with open assessment systems have noted the tendency for supervisors to report favourably on almost all of their staff. Appropriate training in staff assessment methods can reduce this
R157 tendency. We therefore *recommend* that all assessments be recorded and that officers be accorded the right to have access to the details of those which refer to them.

R158 8.4.41 We *endorse* the Public Service Board's guidelines on making assessments available to Promotion Selection Committees and Appeal Committees:

> 'Reports should be made available to Promotions Appeal Committees, when sought, to enable them to make full inquiries in terms of Section 50 (8A) of the Public Service Act. It is considered that staff reports would provide Committees with more comprehensive and standardised advice on the job performance of parties to an appeal than is available under current practices in which documentary staff reports are not available.'

It is desirable that assessments for appeal processes be in a standardised form, but
R159 we *recommend* also that appeal committees should be empowered to obtain copies of original (and complete) staff assessments if they consider that would assist their deliberations.

8.4.42 Many of the deficiencies associated with present assessment schemes arise from inadequate assessment. The development of Individual Work Plans (see Chapter 9.2) will provide a sounder basis for a more effective system as well as identifying where the need exists to redefine and redesign jobs. Assessment is more likely to be accepted when it is the final link in a participative process in which positions are defined by a set of objectives, and employees are involved in the formulation of individual plans of work.

Training and Personnel Development

8.4.43 An essential part of any system of motivation, assessment and reward is ensuring that individual officers have the opportunity to receive training for their present and future work.

8.4.44 Since World War 2 training has increasingly been seen as an instrument for social and organisational change, and there has been a corresponding increase in in-service training facilities in many public administrations throughout the world, and in opportunities offered to their staff members to take advantage of external facilities. More recent work suggests that the allocation of these greatly increased resources to training has rarely met the expectations which led to its accelerated growth.

8.4.45 It was difficult for the Commission to form any confident judgment from departmental and other submissions about the effects of training activities in Commonwealth employment, where a similar expansion has occurred.[1] The Commission therefore initiated a wide range of research studies on training in the Commonwealth Public Service. An extensive questionnaire-based 'census' was designed to obtain information about the nature, extent and cost of existing programs, and three reports were commissioned from consultants: one was a survey of the 'users' of training (that is, primarily line managers) about their expectations and the effects of programs; the others discussed recurrent or life-long learning and management training.[2]

8.4.46 These studies have demonstrated to the Commission the complexity of the language and concepts in which the subject is enveloped. We are equally impressed by the need to adhere closely to basic principles in thinking about training, and to look for more serious attempts to evaluate training programs than have so far been undertaken in most Commonwealth departments and agencies.

8.4.47 The 'census' on existing training facilities led the consultants to conclude that much of the training conducted in the Commonwealth Public Service is not linked in any way to the objectives of the organisation in which it takes place. The Commission believes that this reflects inadequate effort to integrate training with manpower planning, recruitment and programs for organisational change. It seems that training courses and programs are seldom prepared with the full participation of 'line' managers and staff. As the report of the census comments:

> 'The involvement of the line manager is more on the basis of what he is prepared to accept from a given list of activities than what he believes his staff need or want.'

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1. In the financial year 1974–75, at a conservative estimate, $80m was spent on training and personnel development.
2. See Appendix 3.E, Training, for extracts from the reports of the four research projects.

8.4.48 Moreover a number of findings from the research revealed the basic uncertainty that exists concerning the objectives of training programs and activities themselves. Objectives, where they were stated, rarely dealt with the question of whether the training was directed to improved or adequate performance in the present job or to developing future potential.

8.4.49 It is also apparent that individual line managers assert that they will support their staff's attempts to 'further their education', but they will frequently resent their absence during busy periods of work. When supervisors are asked to nominate people to attend courses, too often the 'most expendable' are chosen, while some worthy individuals, due to pressures of work, are denied opportunities to attend programs to prepare themselves for longer term personal development and advancement.[1]

8.4.50 A number of other areas of concern emerge from the research. For instance, less than half of the staff employed under the Public Service Act in recent years have undergone any formal induction training, and many have received it too late to be of much benefit. The research team also found 'on-the-job training' to be neglected and conducted unimaginatively, without taking advantage of opportunities provided by the work being done. This lack of interest in on-the-job and procedural training programs probably reflects:

(a) the sensitivity of training officers and 'line' managers to 'encroachment' in one another's areas;
(b) the lack of 'glamour' of procedural training, compared with human relations, management skills and other typical training course subjects;
(c) an unwillingness among training officers to learn enough about the specific tasks of the organisation to relate training effectively to them.

8.4.51 The 'census' also revealed an undue concentration of training officers and facilities in central offices, which may in part be responsible for the inadequate training of public contact and counter staff to which the Commission's Access Survey referred (see Chapter 6.2). Although the problems of service delivery to the public are not primarily problems of training, but rather of structures and procedures, we suggest that courses can and should be devised to ensure that public contact officers acquire at least basic communication skills and are familiar with the procedures and structures through which services are delivered, and with the attitudes of the clients towards those services. Our experience of the NOW Centre (discussed in Chapter 7.5) leads us to believe also that staff members from different levels of government have some common training needs. The growth even of limited co-location experiments may offer opportunities to expand the range of the experiment to the joint training of staff.

8.4.52 Other sections of this report have proposed training for other special groups or purposes. We have suggested that the training of recruitment interviewers needs continuing attention (paragraph 8.2.38). In section 8.3 we have stressed the capacity of training to help counter the disadvantaged position of women, Aboriginals, and the physically handicapped. We also emphasise the need for training in management (see Chapter 9.5).

8.4.53 Comment has already been made (see paragraphs 8.4.29–30 above)

1. See the report, The Users View of Training, an excerpt from which appears in the Appendix.

about the apparent biases in the application of the Study Assistance Scheme. The Commission holds the view that training should provide opportunities for the personal development and fulfilment of individual potential and that the objectives set for training and development programs should be stated accordingly. Of equal concern to the Commission is the need to ensure that opportunities to participate in training programs, embark on study courses and in other ways enhance individual abilities are equitably available and that selection should be on the basis of ability and willingness to benefit from the opportunity provided.

8.4.54 The Commission considered suggestions made to it that a public service training college be set up, possibly modelled on the Administrative Staff College established at Henley, England, following the report of the Fulton Committee. Differing views on this matter are expressed by several of the Commission's consultants on training (see Appendix 3.E). Professor Richardson and Dr Wettenhall from the Canberra College of Advanced Education suggested in evidence[1] that the Service itself should more consciously focus on and develop 'nuts-and-bolts' training and give more status to the training function (not necessarily specialised), and that 'strategic' training could be provided by existing institutions outside the administration. They referred to the specialist courses being developed at various Colleges of Advanced Education, for example, for computer programmers and local government officers, and to the availability of more academically oriented courses at universities.

8.4.55 The Commission concludes that although there is a clear need for improved training effort, a case has not been substantiated for the establishment of a separate Public Service training college. In the Australian context, at any rate at present, it seems preferable both to develop the training resources of the Public Service itself, particularly through on-the-job training or specialised courses, and to make use of the rapidly expanding tertiary educational institutions.

8.4.56 The Commission's conclusions, based on the studies referred to above, suggest that a far more disciplined effort is required to provide more realistic objectives for training and personnel development activity. Specifically, the Commission *recommends* that: R160

(a) the Public Service Board concentrate on providing services to departments and agencies of a consultancy nature designed to upgrade training capability and expertise within operating organisations. It should act as a resource bank, providing special training courses where needed, for example, instructing training staff in training skills, suggesting and propagating new techniques, assisting with evaluation studies, and in negotiating training courses with educational institutions;

(b) departments and agencies establish Staff Training and Development Committees (suitably decentralised) whose prime functions should be to direct the objective study of needs (through staff assessment schemes, etc.), the development of comprehensive programs directed to those needs and the evaluation of the effectiveness of programs (Despite the heavy expenditure on training the census revealed little evidence of either cost consciousness on the part of those responsible for training or any

1. Transcript pages 2826ff.

widespread evaluation or validation of the outcomes of this expenditure.);

(c) there be a greater diversification of training objectives away from the traditional and fashionable management and skills courses to provide appropriate attention to such needs as
  (i) induction training (not necessarily formal courses) for *all* recruits,
  (ii) more intensive training for counter staff and other staff who have contact with the public,
  (iii) an extension of study assistance and other forms of personnel development to the bulk of staff currently comprising the fourth division,
  (iv) greater use of 'on-the-job' methods combined with staff rotation schemes,
  (v) special courses to meet the needs of minority and disadvantaged groups (for example, language assistance to ethnic groups);

(d) more attention be directed to the training of staff in remote locations and of agents performing bulk functions;

(e) opportunities to undertake training directed to general personal development, and the acquisition of educational qualifications likely to provide a basis for future advancement, be available to all categories of staff and selection be based on willingness and capacity to benefit from the proposed course of study.

The Promotion Process

8.4.57 Promotion is, and is likely to continue to be, the major monetary reward and incentive in the service. Apart from the possibility of genuinely discretionary increments, referred to in paragraphs 8.4.13–14 above, promotion is probably the only tangible financial incentive which can be offered to public servants. The comparatively large number of short salary ranges which characterise the third division accentuates its importance. Even if a review of existing salary classification level leads to a reduction in the number of grades by a process of 'broad banding', the promotion process will still be of fundamental importance if merit, including efficiency, is to be rewarded and the inefficiencies and inequities attendant upon promotion by reference to other factors avoided.

8.4.58 Responsibility for promotion, and for the assessment and training processes associated with it, should continue to be a matter for the department. It is the departmental head's responsibility to ensure that selection processes within the department are undertaken impartially and in a manner that will receive acceptance by the staff as achieving the objective of promotion according to merit. It will be for the Public Service Board, the Office of Equality in Employment and the selection procedures committee (see paragraph 8.2.37) to monitor the department's activities. Much of the dissatisfaction with the promotions appeal system appears to stem from inadequate procedures for promotion and we believe the real interests of members, as well as the efficient working of departments, would be well served if the Public Service Board and staff organisations were to concentrate upon the development of acceptable promotion procedures and internal measures of relative efficiency, which the
R161 Commission believes should be the sole criteria for promotion.

8.4.59 In a discussion paper on the promotions appeal system recently issued by the Public Service Board, a number of features are mentioned as desirable in an

effective selection process for promotion. We generally endorse these, which we summarise as follows: R162

(a) vacancies should, wherever practicable, be advertised (see paragraph 8.4.79);
(b) selection should be by committee, which should be chosen for its competence and impartiality and might well include on its membership a staff representative and on some occasions a representative from outside the department;
(c) selection committees should handle or supervise all action relating to an advertised vacancy;
(d) applicants should have ready access to adequate information relating to the job advertised;
(e) applications should be prepared in such a way as to enable the selection committee to assess the applicant against the specification for the position;
(f) applicants not selected for interview and applicants interviewed but not selected for provisional promotion should be notified without delay, with reasons where practicable.[1]

8.4.60 The Commission's recommendations are designed to reinforce the trend towards greater emphasis on the efficiency criterion in promotion.[2] This lends added importance to the quest for acceptable measures of efficiency, particularly because, in the absence of such measures or acceptable guidelines, there is a danger that departments and promotions appeal committees will turn to other possible indicators, such as relative educational qualifications or experience, which might be considered 'objective'. As has already been noted, the Commission believes that undue emphasis is already placed on educational qualifications in some cases. Nevertheless it is only realistic to acknowledge that those responsible for decisions will feel the need for objective criteria. These considerations lend weight to the Commission's advocacy of a more open and adequate system of staff assessment.

8.4.61 We agree with the proposal in the Public Service Board's discussion paper that the definition of the factors constituting efficiency should be changed to give emphasis to suitability for the work to be performed, having regard to:

(a) aptitude for the duties of the position;
(b) extent of relevant experience;
(c) training, including formal training;
(d) capacity for development;
(e) relevant personal qualities.

The Commission believes that the increase in precision attaching to this definition, and an acknowledgment that weighting of the factors may vary significantly between jobs, are changes which should contribute both to better and to better understood selection decisions. We *recommend* that the changed definition be adopted. R163

8.4.62 **The promotions appeal system:** Access to an appeal process for the review of promotions is widely regarded as an element of the career service concept necessary for the protection of the principle that merit should be the basis

1. See also paragraphs 8.4.71–2 below.
2. See also paragraph 8.4.77.

of advancement throughout the Service. On the other hand, it has been argued that the appeal system is overloaded, costly and a source of delay, confusion and inefficiency in the promotion process. An appeal system will reflect and bear the burden of inadequacies and faults in personnel practice generally, and will become the vehicle for the expression of frustrations and discontents originating in them, perhaps in the form of 'frivolous' appeals, that is appeals with little prospect of success. Prominent among explanations offered for this tendency for the system to be clogged were:

(a) the fact that advancement can be achieved only through promotion (see paragraphs 8.4.1–31);
(b) the lack of adequate facilities to deal with other grievances (detailed proposals for the handling of grievances are set out in section 8.5 below);
(c) dissatisfaction with promotion selection processes (see paragraphs 8.4.57–61);
(d) the absence of an acceptable staff assessment procedure (see paragraphs 8.4.32–42).

8.4.63 Accordingly the Commission has paid special attention to the appeals process, and the following paragraphs of this section consider important aspects of it. In this examination we have been assisted by the report of our consultant, Mr W. J. Byrt[1], and by the valuable review being conducted by the Public Service Board and a Joint Council sub-committee.

8.4.64 Although records of the bases of promotion do exist, it seems that there has been a shift from the objective criterion of seniority to the more subjective criterion of efficiency. Appeals against provisional promotions on grounds of 'superior efficiency', which represented 22 per cent of all appeals in 1953 had, by 1973 (the latest year for which figures are available), increased to 37 per cent. There has also been some change in the percentage of original selection decisions reversed by appeal committees. Successful appeals as a percentage of promotions appealed against have fluctuated, being between 7 per cent and 15 per cent for the second and third divisions and 13 per cent and 21 per cent for the fourth division, with the lower figures occurring in more recent years. It is difficult to interpret these figures—they may reflect either an improving departmental performance in selection or a bias in promotions appeal committees towards confirming departmental decisions.

8.4.65 The evidence before the Commission indicates that staff and their associations believe that despite its weaknesses, the promotions appeal system is the best available way of protecting the interests of the staff. The Commission had before it:

(a) submissions which emphasised the lack of adequate measures of performance as a basis for promotion and appeals;
(b) submissions criticising the secrecy surrounding selection committee or appeal committee reports;
(c) the comments made by respondents to the Commission's Career Service Survey among which the promotion and the promotions appeal system was the most common subject of complaint (an estimated 20 per cent of respondents had some complaint about the promotion or promotions appeal system).

1. His report, The Australian Public Service Promotion Appeal Committee System, is available with the Commission's Collected Papers on microfiche.

This material is evidence of significant staff dissatisfaction with the promotion and promotions appeal system. That some of the evidence derives from disappointed applicants or appellants does not necessarily invalidate it. Furthermore, other relevant submissions and independent reports confirm the need for reform.

8.4.66 The lack of confidence in the promotions appeal system is reflected in some responses from the Career Service Survey despite the fact that the Commission did not include a specific question testing overall attitudes to the promotion and appeal system. Respondents were asked to indicate how importantly they regarded 17 listed reasons for promotion. These reasons ranged from 'doing the job well' to 'playing office politics'. The complexity of the responses can only be fully appreciated by reading the tables at Appendix 3.A, Paper 1, tables D6(a)–(q). It was found for example that a high proportion of respondents in the third division gave importance to 'doing the job well' (54.7 per cent of them regarding this as 'very important' and 36.7 per cent as 'somewhat important'); and a high proportion also gave important to 'getting on well with senior officers' (35.1 per cent and 46.4 per cent respectively). Again there are marked differences in the distribution of responses between divisions and within divisions between different sectors.

8.4.67 To help illuminate the survey results, factor analyses were carried out on the data.[1] In the factor analysis carried out for the second, third and fourth division, four factors were clearly identifiable. The first factor involved the general notion of 'playing the system', defined by such responses as 'playing office politics', 'having the "right" contacts', and 'getting on well with senior officers'; the second revealed the weight given to 'doing a good job'; and the third the weight given to 'qualifications'. In the second and third divisions, in addition, a further factor of 'luck' was perceived as an independent element in the promotion process. The first factor was the strongest of the four. It is noteworthy that public servants located outside the ACT were more likely than ACT based staff to endorse strongly the view that 'playing the system' is the best path to promotion. This finding perhaps reflects the greater use made of the appeal system by non-ACT staff.[2]

8.4.68 Among the third division respondents, a disproportionately high number of those who expressed the view that 'playing the system' is the way to get on rated their career progress as better than was warranted by their ability alone. It would appear that neither the successful nor the unsuccessful see the present promotion and promotions appeal system as ensuring that promotion goes to the 'best' person for the job. There is also evidence that it uses an increasing quantity of resources and causes inordinate delays.

8.4.69 These criticisms inevitably raise the question whether the promotions appeal system should be discontinued. We recognise that even if the criticisms are

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1. Factor analysis endeavours to reveal those items significantly associated with one another in a statistical sense, the underlying assumption being that such statistically related items are not linked to each other by chance. Thus, if one group of respondents answers each of five questions within a set of 20 questions in an identical manner a factor analysis of the responses will reveal this intensity and identity of association. This enables the researcher to seek an explanation for the common factor behind this uniform pattern of responses. See Appendix 3.A, Paper 3.
2. See Appendix 3.A, Papers 2 and 4.

wholly valid, it could be counter-productive of real reform to destroy a system so embedded in the culture of the administration without an adequate alternative. The system, whatever its faults, allows some recourse against error and bias in promotion. We have mentioned the importance of improving selection procedures as the most significant way of reducing use of the promotions appeal system.

8.4.70 One particular cause of overloading of the appeal system is the management practice, in some circumstances, of effectively transferring the promotion selection process to the promotions appeal committee. This is most likely to occur where many promotions must be made to the same level in a department, and our recommendation for removal of seniority as a primary basis for promotion (paragraph 8.4.77) should assist in eradicating this practice. It is a dereliction of management responsibility for departments to abuse the promotions appeal system in this way: it abdicates the important role of management in assessment and staff management, it brings into disrepute a system not designed to handle loads of this kind and it measurably increases staff dissatisfaction. We note the report of the Joint Council sub-committee that appeals are sometimes lodged in expectation that promotions appeal committees 'will subject the appellants' claims at times to a more thorough-going examination that appeals to have been undertaken by the initial selection committee'.[1] We endorse the view of the sub-committee that improved selection procedures:

> '. . . would leave Promotions Appeal Committees in a position to review what has taken place, and to avoid lengthy interviews where time is absorbed by a need to establish facts which should have been provided in departmental documentation, and in a counselling function which should have been discharged by departmental management in the first place.'[2]

8.4.71 The Joint Council sub-committee refers to the counselling functions of promotions appeal committees. We endorse that, and note that there is also a need for counselling after completion of the initial selection process. It seems that the Public Service Board has in recent months begun to investigate departmental practices in counselling unsuccessful applicants for positions. The Commission
R164 *recommends* that departments take the initiative by establishing a practice of informing unsuccessful applicants of the reasons for their non-selection and, if relevant, explaining why an interview was not granted. The adoption of careful, open selection procedures will guarantee that there will be far less resort to the appeals process.

8.4.72 The Commission considers that the promotions appeal system needs reform, but that such reform can be achieved only with the goodwill and
R165 participation of staff organisations. We *recommend* therefore that those organisations be invited to study objectively the attitude of their members to the present system, and to explore the possibilities of replacing it by an alternative which provides for:

(a) improved assessment procedures;
(b) staff participation in the selection processes themselves;
(c) improved counselling and career planning involving staff participation.

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1. Paragraph 67 of the sub-committee's report.
2. Paragraph 69 of the sub-committee's report.

Pending this study, the Commission *recommends* that the present system continue but that the Public Service Board carry out such improvements in related matters as are within its capacity, taking into account the proceedings of the Joint Council. R166

8.4.73 **Functions and procedures of appeal committees:**[1] Section 50(8A) of the Public Service Act requires that the committees 'shall make full inquiries into the claims of the parties to the appeal proceedings, and shall determine the appeal'. The statute thus enjoins committees to decide appeals as if they were deciding at first instance. Although the legislation stipulates full investigation of all appeals, no further guidance is provided on the process of hearing appeals, except for the direction in Regulation 109F that it shall be the duty of committees to make their inquiries 'without regard to legal forms or solemnities'. As a matter of law the obligations upon a committee would be to observe the rules of natural justice, correctly direct itself as to the meaning of its statute, and have regard to relevant matters when making its determination. While the Committee would be obliged to allow a party to state a case it would not be likely to be under a general duty to grant a hearing.

8.4.74 The Bailey Report on Promotions and Transfers defined the task of the committees in the following way:

> 'the Service representative, equally with the other members of the Committee, will be there to see that the statutory tests are applied knowledgeably, competently, and without discrimination as between all the candidates concerned. He represents, in a special sense, not the provisional promotee only or the appellants only.[2]

This comment appears to be assigning a role of reviewing the procedures surrounding the original selection decision. In recent times it has been suggested that the committees should merely review the procedures involved in the selection process, that is examine the original process for faults, bias or incompetence. We do not believe that the function of the committees is merely to audit the procedures of the original selection decision. It would be almost impossible for appellants to provide necessary evidence of some impropriety: we reiterate the view that the committee should, as stipulated by the Act, conduct a second, even if limited, selection process, and agree that:

> 'This emphasis is preferable to the rather naive approach, suggested at times in the past, that appellants should be required to point to a valid criticism of the particular selection process as a ground for appeal. Apart from the virtual impossibility for candidates to obtain the evidence to prove any such criticisms, a system based on criticism and recrimination would surely founder on the bitterness and mutual distrust which it would generate.'[3]

8.4.75 Criticism has also been directed at the 'self-imposed' course of conduct of

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1. Public Service Regulation 109D (1) prescribes that 'A Promotions Appeal Committee or a Central Promotions Appeal Committee shall be constituted by:
   (a) a Chairman appointed by the Board, who, while acting as Chairman, shall not be subject to direction by any person or authority under the Act;
   (b) an officer nominated by the Permanent Head of the Department in which the provisional promotion has been made; and
   (c) an officer nominated by the appropriate organisation'.
2. Paragraph 151.
3. Submission No. 768.

committees. In 1943, the Bailey Committee asserted that 'the procedure and practice of committees should be left for their determination in the light of the guiding instructions of the Board . . .'[1]. During the early years when appeals were heard by Public Service Inspectors, the Board issued detailed written instructions concerning procedures to be followed, but during the last decade there have been no instructions or guidelines.

8.4.76 In the remainder of this section we consider a number of possible improvements some of which could throw light on desirable characteristics of any alternative to the present system as well as on improvements in personnel practice more generally.

8.4.77 *Grounds of appeal:* Section 50(3) of the Public Service Act requires that in selection consideration shall be given first to relative efficiency, and in the event of a judgment of equal efficiency, then to relative seniority. By Section 50(6) an officer may appeal on the ground of:

(a) superior efficiency;

(b) equal efficiency, and seniority.[2]

In view of the definition of efficiency recommended at paragraph 8.4.61, the
R167 Commission *recommends* that appeal on grounds of seniority be abandoned. Selection for promotion (and temporary transfer) should be on the grounds of superior efficiency alone. This is in accord with views expressed by the Administrative and Clerical Officers' Association and the Public Service Board.

8.4.78 *Information about the appeal process:* While promotions appeal committees are enjoined simply to decide appeals as if they were deciding at the first instance, that is, to correct what they judge to be mistakes in provisional appointments, their experience brings to their notice a wealth of data about appointment processes, successful and unsuccessful basis for appeal, sources of dissatisfaction leading to appeal and other matters. There is at present no means whereby this data can become either the basis of a kind of 'case-law' which might be valuable to potential appellants and a source of guidance for the reform of departmental practice or for revising the Public Service Board guidelines on selection processes.[3] Nor is there a means of contributing to the better working of the promotions system by provision of reasons for decision in selected cases. We
R168 *recommend* that promotions appeal committees be given authority to:

(a) describe their methods of conducting their inquiries;

(b) give and publish their reasons for decisions in cases which they consider of continuing importance as 'leading cases';

(c) offer comment on selection procedures and other personnel practices which in their view have relevance to their work;

(d) prepare reports on the above matters for consideration by departments and the Public Service Board.

R169 We further *recommend* that, in addition to any other arrangements which the committees might make, the Public Service Board, in consultation with promotions appeal committee chairmen, periodically publish summaries of matters covered in these reports.

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1. Bailey Report paragraph 168.
2. Fourth division officers only have to demonstrate that they are the senior efficient officer.
3. See submission No. 405 from Mr K. J. Potter, Chairman, Promotions Appeal Committee, Melbourne.

8.4.79 *Advertisement of vacancies:* Public Service Regulation 108 gives discretion to the department head to notify vacancies in the Gazette. Only limited information is available on the extent to which positions are advertised, but we believe that many are not advertised outside the department concerned. As a guide, a complete tally of each department's notified vacancies and provisional promotions and transfers was taken from the 1972 Volume of Gazettes. There were major differences between departments in the ratio of provisional promotions to notified vacancies, ranging from 6.0:1 to 0.8:1 with an average of 2.3:1. Failure to advertise the initial vacancy brings in non-applicants only at the stage of appeal against a provisional promotion. When non-applicants appeal the committee is in fact functioning as a selection body, and the time and effort involved in their work is greatly increased. We *recommend* that departments advertise in the Gazette all vacancies except where they relate to categories of employment unique to the department concerned, and that the Public Service Board should be empowered to direct departments to advertise specified vacancies or classes of vacancies. We suggest to the Public Service Board that time expended by staff in study of the Gazette could be reduced by grouping vacancies by occupation. R170

8.4.80 *Appeal by non-applicants:* Our recommendation in the previous paragraph should assist in placing more reliance on the initial selection process. Accordingly, we *recommend* that promotions appeal committees be given a discretion not to hear and decide appeals by appellants who did not apply for promotion to advertised vacancies. Our expectation would be that such appellants be required to show cause why they did not apply for promotion. R171

8.4.81 *Documentation:* The time taken to deal with appeals could be reduced by better documentation. We *recommend:* R172

(a) that departments require officers or committees responsible for selection for promotion to support their nomination in a form likely to assist the appeal committee;

(b) that appellants be required to lodge a supporting statement within the time set for lodging an appeal (a period of grace could be extended to officers in isolated places).

8.4.82 *Interviews:* The Joint Council sub-committee expressed a belief that the effectiveness of the appeals system would be unimpaired if interviewing is not expected as a normal or necessary practice. We agree that the appeal committee should exercise its right to conduct interviews only when it is satisfied that this is necessary to ensure that justice is done. R173

8.4.83 *Term of office for chairman:* The wisdom of the current practice of apparently regarding appointments to positions of chairman of a promotions appeal committee as continuing indefinitely, has properly been questioned. We *recommend* that greater use should be made of secondment of departmental officers as chairman and for a short (say, three-year) term. The Commission sees value in developing the influence of chairmen on personnel practice, and to this end *recommends* that legislative provision be made for one chairman to be appointed at a more senior level who could in consultation with his fellow chairmen be responsible for the reports referred to in paragraph 8.4.78 above and for arranging consultation with the Public Service Board arising out of them. R174 R175

Penalties for Inefficiency[1]

8.4.84 No system of employment can wholly eradicate mistakes in selection of staff, bad performance by staff or over-staffing. Commonwealth government employment is no exception. The means by which inefficiency is discouraged or penalised is therefore of public and professional interest.

8.4.85 Efficiency should of course be sought positively by measures directed towards better motivation, assessment of performance, wise counselling, planned training and the stimulus of opportunities for advancement. However where these fail sanctions against inefficiency must be used, including ultimately the termination of employment. This section examines the means by which these sanctions are applied. It considers procedures in employment under the Public Service Act, but the conclusions and recommendations are, the Commission believes, more widely applicable.

8.4.86 **Probation:** Appointments to the career service in the first instance are generally on probation for a period not to exceed one year during which the appointment may be annulled by the Public Service Board after report from the Chief Officer of a department (Section 47, Public Service Act). The Act specifies no limits on the grounds on which appointment may be annulled. Where annulment of appointment is recommended, the Board has required that adverse reports be shown to the appointee.[2] Annulment may also follow discovery that an appointee does not meet character or health standards (see paragraph 8.2.17–19). In 1974 about 5 per cent of appointments were annulled.

8.4.87 Probation is a valuable protection against errors of judgment in the selection process, and reliance on it is likely to increase. This makes necessary adequate assessment during the probationary period. The Public Service Board has suggested several reforms which form the basis of the Commission's
R176 recommendations.[3] We *recommend* that, within guidelines prescribed by the Public Service Board, the power to annul probationary appointments be delegated to departmental management, subject to review by the Public Service Board which would, if necessary, reverse a decision to annul. Board guidelines should aim to develop explicit grounds of annulment to ensure that as far as possible objective criteria of assessment are applied, and are known to appointees. Where annulment is based upon an assessment of character or of physical fitness, an appeal should lie to the Personnel Appeal Tribunal (paragraph 8.5.31). Statutory authorities with compatible systems of tenured appointment should be brought within the same appeal system.

8.4.88 **Disciplinary action:** The disciplinary process, whether leading to fines or dismissal, requires adherence to a statutory procedure of charging a person with an employment 'offence' of a kind enumerated in section 55 of the Public Service Act. Matters regarded by management as minor offences may be dealt with summarily. Serious offences must be dealt with by written charge allowing opportunity to the accused employee to present a defence. At present the Public

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1. A reservation concerning this and the following section of the Chapter has been expressed by Commissioner Munro, whose reservation is published at the end of the Chapter and at Appendix 3.M.
2. But see Grievance Case Study No. 4, summarised in Appendix 3.D.
3. Board Memorandum 9, 'Probationary Appointments' p. 9. The main proposal is repeated in the Board Discussion Paper, *Grievance Processes in the Australian Public Service*, March, 1976.

Service Board alone has power of dismissal. Lesser penalties may be imposed by the Chief Officer of a department. An appeal against all penalties exceeding $4 in value lies to a specially constituted tripartite Appeal Board.[1]

8.4.89 Formal disciplinary action can be seen as indicating a failure of more positive personnel practice. At the same time it constitutes a protection against arbitrary 'informal' action directed to enforcing resignation. It is therefore an important component in action to discourage inefficiency.

8.4.90 The Public Service Board, in conjunction with Joint Council, has recently reviewed the disciplinary process. While the Commission sees a need for some specific changes to the arrangements proposed by the review (see paragraphs 8.5.18 and 8.5.31), we generally endorse the changes proposed and *recommend* that prompt action be taken to amend existing legislation. R177

8.4.91 **Redundancy and early retirement:** In some instances it may be considered necessary, if inefficiency is to be avoided, that an officer be compulsorily retired. At present this differs from the termination of service by disciplinary process because it secures some form of employer contribution to the retired officer's superannuation. In both processes the final power to approve compulsory separation of career service staff has been vested in the Public Service Board. The enabling powers for compulsory retirement of career service staff under the Public Service Act are:

(a) where the Public Service Board finds that there is an excess of officers over the number necessary for the efficient working of a department or branch, it may transfer any officer found to be in excess to an equal or lower position in the Service, and if none is available, retire the officer (section 20);

(b) an officer, if he 'appears to the Board or the Chief Officer to be inefficient or incompetent or unfit to discharge or incapable of discharging the duties of his office efficiently . . .' may be retired by the Board after report from the department and investigation. Considerable use of retirement for 'unfitness' has occurred but the grounds of 'inefficiency' and 'incompetence' have never been invoked, perhaps because of diminution of superannuation entitlements where a retirement is for other than invalidity (section 67);

(c) the Board may retire an officer who has attained the age of 60 years at any time before attaining the statutory maximum retirement age of 65 years. No grounds for the exercise of the discretionary power are specified. This power has not been used during the last 10 years, and perhaps not at all (section 85(2)).

It is consistent with the themes of our Report to entrust departments and agencies with greater responsibility and authority over such matters.

8.4.92 We *recommend* that the power to diagnose any excess of staff and to identify and take action regarding particular redundant officers under section 20 be delegated to departmental management. The Auditor-General and the Public Service Board should aid departments in such diagnosis. However departments should only have power to retire such staff provisionally. The department should certify that no suitable alternative employment exists within the department. R178

1. See also Appendix 3.D, Case Study No. 1.

Before retirement is confirmed, the Public Service Board should see if there is any suitable alternative employment for the officer available within the Service. When an officer is judged redundant because of an assessment of relative worth or efficiency, appeal should be allowed through the promotions appeal committee procedures.

8.4.93 The Commission endorses the view of the Public Service Board in its Second Submission that the primary responsibility for compulsory retirement of staff because of inefficiency or limited efficiency should rest upon departmental management. We *recommend* that by delegation of the Board's powers under section 67, the responsibility and authority for compulsory retirement on the grounds referred to in that section be given to the Chief Executive Officer of the department concerned. There should be provisions for review of and appeal against such decisions (see paragraph 8.5.17).

R179

8.4.94 Furthermore, we agree with the Board that particular attention needs to be given to dealing with staff of 'limited efficiency', that is those who are no longer able to measure up fully to the requirements of the positions they occupy, even though it might be unjust to describe them as 'inefficient'. The assessment as to when efficiency has deteriorated to such a degree that action is necessary involves difficult and very delicate judgments. Up till now the reduction of superannuation benefits related to the dismissal of officers has been regarded as too harsh to be invoked in relation to officers who are of 'limited efficiency'. However, new superannuation regulations recently introduced to Parliament have been designed to provide similar benefits whether early retirement is voluntary or involuntary.[1] The categories of retirement deemed involuntary expressly include retirements under sections 20 and 67 of the Public Service Act, with additional benefits attaching to 'invalidity' retirements. Retirement will not only be allowed but may be compelled after attainment of the minimum age.

8.4.95 Thus to enable introduction of a scheme providing for compulsory or voluntary early retirement, little more is now required than an extension of the powers and rights in section 85 of the Public Service Act to a minimum retirement age or ages of less than 60. An appropriate course would be to allow the Public Service Board to prescribe a minimum retirement age by regulation.

8.4.96 Different considerations must be taken into account in assessing the value of provisions for voluntary early retirement as distinct from extension of existing provisions for compulsory early retirement. But clearly the two are interrelated. Acceptance of extended powers of compulsory retirement will be helped by changing the provisions for voluntary early retirement.

8.4.97 Submissions by staff organisations argued that voluntary early retirement would allow officers whose capacity had diminished to retire before they became a hindrance to the efficiency of the Service. We do not disagree with that proposition but believe that self-awareness alone is not a sufficient stimulus to early retirement unless there are measures to compel retirement. We have not found evidence to substantiate staff association claims that an increasing number of private industry schemes provide for retirement at age 55. However the widespread practices employed by private superannuation schemes of discounting pensions, or paying interest in addition to accumulated contributions to

1. Superannuation Bill 1976 sections 58–62.

employees who resign, is recognised as providing a degree of flexibility akin to that provided by voluntary early retirement.

8.4.98 A number of beneficial effects of options for earlier retirement have been argued. From the staff viewpoint the most important is that the introduction of voluntary early retirement would afford officers and employees greater flexibility in organising their working lives. The opportunity would be available to exchange portion of expected pension entitlements for an earlier age of retirement. This increased flexibility would therefore recognise that people age at differing rates, and thus provide to officers and employees the right to retire at an age when they still retain the mental and physical abilities necessary for an active retirement.

8.4.99 Reservations concerning the introduction of an earlier retirement option derive from considerations of cost, and its effect upon staff wastage rates. The Commission has had access to advice prepared by the Public Service Board in close consultation with Treasury on the financial implications of an option for voluntary early retirement at 55. On the basis of this advice, it believes that the nett cost of an early retirement scheme would not be great enough to deter its introduction.

8.4.100 The introduction of voluntary early retirement must necessarily result in increased wastage (separation) rates. Replies to the Career Service Survey indicate a high level of interest in an option for earlier retirement: it was favoured by 68 per cent of a sample representative of the Service as a whole, 43 per cent of a sample of officers over 50 years of age and 51 per cent of a sample of second division officers.[1] Enthusiasm for early retirement may fade as it comes closer, but a significant number of mature age staff expressed a speculative preference (as distinct from a firm intention) to retire on reduced pension benefit before current minimum or maximum ages.

8.4.101 Officers and employees who would be eligible to retire constitute a high proportion of senior administrative, professional and technical staff. The proportion of older officers occupying relatively senior positions is currently higher than normal. The intake of ex-servicemen after World War II is the primary cause of a 'hump' in the age distribution of the service compared with the outside work force. This skewed age distribution is even more pronounced in State and regional offices.

8.4.102 The over representation of officers aged 45–55 and the under representation of officers aged 35–45 seem likely to cause manpower shortages in some levels of the Service, in the next 10 years. The high proportion of officers aged 45–55 reflected in an older second division will result in high wastage rates for the second division: approximately 40 per cent of current second division staff will have retired within the next 10 years. In branch offices, approximately 60 per cent of current second division staff will have retired. The loss over a short period of time of a large number of senior officers will cause difficulties in selecting and developing staff from the 'feeder levels', that is, senior third division officers aged

1. Respondents replied to the question: 'If the possible retirement age were lowered with reduced pension benefits under a new superannuation scheme, at what age would you prefer to retire?' Details of the level of reduced benefits were not available to respondents. See Appendix 3.A, Paper 1.

35–45. The shortage of officers aged 35–45 however means that even if there was sufficient time to select and develop officers in the 'feeder levels', shortages would still occur.

8.4.103 These shortages could be intensified by the introduction of voluntary early retirement before the age hump has passed through the Service. However, the adverse effect of those shortages can be minimised by the immediate introduction of voluntary early retirement which would permit some officers in the 'age hump' to leave the Service now, thus spreading the manpower shortages over a number of years, and perhaps aiding career placements. Substantially postponed or a phased introduction (that is, a reduction in minimum age of retirement over a number of years) would result in a simultaneous peak in the number of 'age' and 'early' retirements. Increased use of lateral recruitment would help overcome the shortage of officers in the 'feeder levels' whether or not there is extended voluntary early retirement (see paragraphs 8.2.41–45).

8.4.104 The Commission has concluded that efficiency at all levels of the Service would be enhanced if early retirement from the Service were easier. We
R180 therefore *recommend:*

(a) that section 85(1) of the Public Service Act be amended to allow minimum voluntary retirement ages to be set by regulation;

(b) that consequent upon such amendment, regulations be introduced to provide for a generally applicable minimum retirement age of 55;

(c) that the power under section 85(2) of the Public Service Act to retire from the Service on a provisional basis any person who has attained the minimum retirement age be delegated to the Secretary or Chief Executive Officer of a department;

(d) that where retirement is compelled under section 85(2), some additional severance benefit be paid, perhaps analogous to the lower rate of reduction of the pension benefit to be applicable to involuntary retirement between age 60 and 65 (a severance benefit less than the full pension entitlement would seem desirable to distinguish involuntary retirement of staff whose performance has been less than satisfactory from, on the one hand, those who merely exercise an option to retire or, on the other, those who are found to be incapable to the degree required to satisfy section 67 of the Act);

(e) that section 86 of the Public Service Act (prescribing a maximum age for retirement) be retained, subject to removal of the time limit for which the Public Service Board may direct an officer to continue in the Service after 65 (the option should not be closed for exceptional cases to continue beyond 12 months);

(f) that procedures relating to early retirement be developed by the Public Service Board in consultation with departments and staff organisations for embodiment in the Public Service Regulations (the sequence of procedures might well follow those adopted in the U.K. Civil Service in 1971: that is, an informal warning in order to encourage improvement in performance which if not successful is followed by a formal warning; a trial period in a different position; and finally six months formal notice before retirement);

(g) that compulsory early retirement not become effective before satisfactory

procedures for appeal and review along the lines proposed in the next section have been developed.

8.5 GRIEVANCES, RIGHTS AND DUTIES[1]

The Present Grievance Machinery

8.5.1 Grievances reflect aspects of the employer–employee relationship in a state of stress, and often throw light on critical qualities of that relationship. Grievance studies can provide valuable checks on personnel practices and on the attitude of employees and officers to them. An emphasis on harmonious working relationships, greater sensitivity to the need of all employees to retain their dignity, and the provision of constructive counselling would avert problems, especially those related to promotions and to a feeling of victimisation. Often, after a series of unsuccessful attempts to obtain promotion even after appeal, an employee begins to feel victimised.

8.5.2 Improved staff assessment, adequate counselling and sensible staff rotation may avert the need to retire, discipline or dismiss the officer concerned. These ways of coping with the problems are within the competence and responsibility of individual departments and agencies.

8.5.3 Over 40 per cent of the submissions to the Commission were made in a personal capacity by people employed in the Service. The majority of these expressed dissatisfaction with some aspects of the administration, and some were made confidential by authors who feared recrimination or victimisation.

8.5.4 The Commission's terms of reference were not construed as a charter for the Commission to act as an ombudsman. Rather the Commission saw individual submissions outlining grievances as a basis for a better understanding of the problems between employees and management. Accordingly:

(a) seven cases involving complaint by officers or ex-employees were chosen for detailed study of all relevant files which were summonsed from departments or the Public Service Board. This work was undertaken by research staff and in one case by a member of the Commission;

(b) relevant government agencies were asked to provide comment and information on matters raised in some 100 individual submissions;

(c) further inquiries were carried out in relation to several submissions which raised questions of serious maladministration. In one such instance in which it was alleged that political considerations had improperly influenced certain appointments, counsel was retained to advise the Commission on whether sufficient evidence was available to justify a judicial inquiry;

(d) responses about rights and processes in relation to grievances recorded in the Career Service Survey were examined.

8.5.5 The case studies referred to in the previous paragraph proved to be particularly helpful and instructive to the Commission in developing an understanding of existing grievance machinery and also the apparent weaknesses in established processes. The most significant case study concerned Mr W.

1. A reservation concerning this and the previous section of the chapter dealing with penalties for inefficiency (paragraphs 8.4.84–104) has been expressed by Commissioner Munro, whose reservation is published at the end of the Chapter and at Appendix 3.M.

Toomer, a Senior Quarantine Officer with the Department of Health, which raised wide and important considerations for the Commission.

8.5.6 Careful consideration has been given to the wisdom of publishing one or more of the case studies and whilst it could be particularly valuable to do this, the Commission has reluctantly decided not to publish any of them in full because they might be seen to reflect adversely on individuals who did not have an opportunity to appear before the Commission to explain their actions. A summary of the most useful cases appears in Appendix 3.D. The full case studies have been referred to the Public Service Board and the departments concerned in each case so that the analysis and conclusions can be taken into consideration in the development and administration of future personnel management policy. The Public Service Board and the departments concerned have been authorised to make the case studies available, on a limited access basis, for genuine research purposes.

8.5.7 The Commission is not competent to determine the merits of these cases, and its study of the procedural aspects of the Toomer case falls short of a broad ranging and balanced inquiry which the case may well justify. The Commission notes that current aspects of Mr Toomer's case are under examination by the Public Service Board. Under the grievance machinery which the Commission recommends, Mr Toomer would have access to a Personnel Appeals Tribunal in respect of certain aspects of his case. As it is unlikely that the machinery recommended by the Commission will be available before significant aspects of
R181 the case are decided, we *recommend* that if the need arises the Public Service Board give consideration to the establishment of an appropriately constituted body of inquiry outside the Public Service to review the Toomer case.[1]

8.5.8 The Commission is conscious that a false impression of the Service can be created by excessive concentration upon complainants, and the processes of redress. In the Career Service Survey, 58 per cent of the sample of third and fourth division staff responded that they had not had a serious grievance. Similar proportions of staff responded with favourable comment about the attitude of personnel sections when approached with work problems. Nevertheless, our inquiries suggest that departments do encounter difficulties in handling grievances. Often considerable time is needed to attempt to resolve a problem which may be unimportant from the department's point of view. Some complainants seem unwilling to accept decisions taken by the department or the Public Service Board and continually appeal against them. Such long drawn out wrangles between aggrieved officers and departments involve disproportionate costs. However, many of these problems could be minimised by improved grievance procedures.

8.5.9 Under the existing Public Service Act and Regulations rights of appeal exist to the following bodies:

(a) *Promotions Appeal Committees:* appeals against promotions (section 50), temporary performance (regulation 116) (with final decision by the Public Service Board above prescribed salary level);

1. The Chairman's reservation concerning this matter is set out at the end of the chapter.

(b) *Appeal Boards*[1]*:* appeals related to charges on certain public service offences (section 55);
(c) *Public Service Board:* appeal on deferment of salary increment (section 31).

8.5.10 The Public Service Board may also be approached by officers in the following circumstances:
(a) right of reply in section 67 and section 85(2) retirement cases;
(b) right of objection to officer's own promotion or transfer (regulation 111);
(c) right of review of study assistance cases;
(d) right of reply on recommendation for annulment of appointment.

8.5.11 In addition there are two avenues of redress open to public servants with a complaint or grievance where no specific appeal or review rights are provided under the Public Service Act or regulations. An 'application' or 'appeal' can be made under Public Service regulations 6 and 33 respectively,[2] to senior officers of the employing department and thence to the Public Service Board through the Chief Officer of the department. The legislation does not instruct or direct the Public Service Board about the basis for determination of such cases, nor does it give the Board power to vary or reverse a departmental decision on a matter within the departmental heads' powers. If the Board concludes that an injustice has been done it must rely on persuasion to have it corrected. The Commission's study of grievances suggests that there is an ambiguous division of authority between the Board and departments in grievance resolution, which should be resolved. Some of the cases studied suggest that the Board was more concerned to satisfy itself that statutory obligations or legal requirements had been met rather than to review the merits of the case. Thus one regulation 33 appeal against the content of a direction was disallowed on the ground that the direction was given by the senior officer who had authority to issue the direction.

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1. Section 55(5) of the Public Service Act prescribes that:
'an Appeal Board constituted under this section shall comprise:
(a) a Chairman who shall have the qualifications of a Stipendiary or Police Magistrate, and shall be appointed to the office by the Board of Commissioners, but shall not while sitting as Chairman of an Appeal Board be subject to direction by any person or authority under this Act;
(b) an officer of the Department to which the appellant belongs (not being an officer concerned in the laying of the charge against the appellant), appointed by the Chief Officer for the purpose of the particular appeal to be heard; and
(c) an officer elected as prescribed, by and from the officers of the Division in which the appellant is included in the State in which the appellant performs his duties, as the representative for that State of the Division in which the appellant is included or an officer appointed in pursuance of sub-section (6) of this section.
Any two members of an Appeal Board may by consent of the parties concerned exercise all the powers of the Board for investigation and decision.'

2. '6 Except where otherwise provided in these Regulations the application of any officer upon any matter affecting him as an officer of the Service shall be made by that officer through the head of his branch, to the chief officer. Where the matter is one which the officer desires shall be considered by the Board, the application shall be addressed to the "Secretary, Commonwealth Public Service Board", and shall be forwarded by the Chief Officer, with any remarks considered necessary, to the Inspector for transmission to the Board.'
'33 (1) If any officer considers he has grounds of complaint arising out of any official instruction, or from any other cause, he may appeal, in regard thereto, to the Chief Officer through his immediate superior officer, who shall forward the appeal forthwith to the Chief Officer, but he shall nevertheless, as far as possible, carry out any instruction given him until it is countermanded by competent authority.
(2) If an officer, having appealed to the Chief Officer, in pursuance of this regulation, is dissatisfied with the decision, the Chief Officer shall on request forward the appeal to the Permanent Head, who, if the appeal is not allowed, shall transmit it to the Board for determination.'

8.5.12 The Board has been examining the administration of regulations 6 and 33 with a view to:

> '(a) the possible need for clearer definition of procedures in terms of avenues or approaches available to officers, definition of the stages of the procedures, and rights to "hearings"
>
> (b) the need to ensure speedy handling of grievances
>
> (c) the possible need for review of the Board's powers to enable it to achieve equitable solutions, and
>
> (d) the extent of dissemination of information on the procedures.'

The Commission has identified several particular areas of concern.

8.5.13 *Ignorance of rights:* Submissions to the Commission and research data point to a lack of understanding by staff of their right of access to grievance procedures. Eighty-five per cent of third and fourth division staff surveyed were unaware of, or did not believe there were 'grievance procedures' apart from promotion and disciplinary appeals. Recent action by the Board to develop an index of conditions of employment will improve staff information, but this should be supplemented by union and management action to counsel and inform staff on
R182 a continuing basis. We *recommend* that Joint Council act to develop the means to provide such information and counsel.

8.5.14 Increased awareness by staff of their rights under the grievance procedures would go a long way to eliminating the many instances of delays, inadequate framing of charges, and other weaknesses in procedures. It would also help to allay fears of adverse reactions from departmental superiors against the use of such procedures expressed in a number of submissions. In one case, it was suggested that staff who resorted to promotion appeals prejudiced their chances of future promotion. While the Commission has no basis for assessing the accuracy of such reports, it seems to be widely believed among officers that there are penalties for the use of these procedures. Increased awareness of staff rights and the reommendation below (paragraph 8.5.29) relating to intimidation should go some way towards alleviating these difficulties.

8.5.15 *Review of complaints related to discrimination or favouritism in appointments:* One of the cases examined leads the Commission to stress the great difficulty in monitoring adherence to the merit principle. A submission alleged improper influence systematically applied in appointments and promotions in one office. As the allegation was likely to excite public controversy, it would not have been fair or responsible for the Commission to pursue the matter further in the absence of *prima facie* evidence supporting the allegation. Such information as was available did not lend itself to any worthwhile use in testing the allegation, and there were practical difficulties as well as the risk of unwarranted controversy in pursuing additional evidence.

8.5.16 This case gave the Commission great concern because we were conscious that, even if the allegation had been justified, it would have been profoundly difficult to investigate it adequately without considerable invasion of the privacy of officers and of applicants for employment and promotion. There remains therefore a risk that the application of the merit principle could be systematically invalidated by the introduction of prejudices or bias into decisions, and that this

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1. Memorandum No. 19 paragraph 41.

prejudice once introduced into a relatively self-contained staff unit could become increasingly dominant. We believe that the Public Service Board should be vigilant in guarding against this risk. We *suggest* that: R183

(a) prompt investigation of any complaints be undertaken by persons external to the office concerned;

(b) selection committees and promotions appeal committees be constituted as far as practicable so that they include nominees from other parts of the Service;

(c) the selection procedures committee recommended at paragraph 8.2.37 be invited to study present procedures where these are brought into doubt in consultation with the Office of Equality in Employment to devise better protection against any systematic bias.

8.5.17 *Decisions to compel retirement:* Several submissions and two of the case studies give rise to concern about the procedures involved in and the use of power under section 67 of the Public Service Act compulsorily to retire officers on grounds of incapacity or unfitness to discharge the duties of office. The need for the introduction of a means of 'review' of such decisions has been highlighted by Case Study No. 2 (see Appendix 3.D) which illustrates the difficulty of operating the existing system in a manner which makes it manifest that justice is done. Another deficiency observed in current compulsory retirement procedures is the lack of a satisfactory power or incentive to rehabilitate staff who have been retired. There is no clear responsibility to advise retired staff of rehabilitation opportunities. Nor is there adequate provision for trained independent counselling of staff whose continued employment may be in jeopardy. Pre-retirement training schemes of any kind operate in only 23 per cent of Commonwealth government employing authorities. We *recommend* the extension R184 of pre-retirement training programs to all Commonwealth government employing authorities. Our recommendation at paragraph 8.4.104(f) is directed towards meeting the other deficiencies.

8.5.18 *Procedures relating to disciplinary offences:* The Commission received a number of submissions concerning disciplinary appeal board proceedings, one of which is discussed in Case Study No. 1 (Appendix 3.D). On the basis of that study, other submissions, and research, the Commission concludes that the procedures for dealing with disciplinary offences proposed in the recent review completed by Joint Council, adopted by the Public Service Board, and awaiting implementation in the Public Service Act should be promptly applied, especially since the Postal Commission Act provisions appear to have been modelled on the outcome of that review. Action is also necessary to ensure that persons charged with offences are acquainted with the procedures which will be followed in hearing the charges and with any rights of appeal. This is also necessary when persons are called upon to show cause why a decision detrimental to them should not be taken. We *suggest* that Joint Council prepare a booklet setting out these R185 procedures clearly, for issue to all persons charged. Guidelines issued to departmental management or appellate authorities in such matters should not be confidential. Case Study No. 1 showed deficiencies in the formulation of the charge. Care should be taken to ensure that charges are framed in a manner which fairly states the case to be made, and places the emphasis upon the respects in which specified conduct is alleged to be improper.

8.5.19 *Charges against public servants by citizens:* In submissions to the Commission, the Public Service Board has confirmed that there are unsatisfactory features about the provisions and practice associated with section 56 of the Public Service Act which allows any person to charge a first or second division officer with a disciplinary offence under the Act.[1] As part of the Public Service Board's review of disciplinary procedures it is intended that second division staff be treated on the same basis as third and fourth division staff, to whom section 56 does not apply. Separate provision would be retained for charges against first division officers entailing suspension of the officer by the minister and the establishment of a board of inquiry to investigate the charge.

8.5.20 The Public Service Board has noted that whereas section 56 was probably intended to allow members of the public to initiate disciplinary charges it has been more often used by officers of the Service 'displeased with' decisions of senior officers. The Board considered the arrangement to be dubious and proposed its virtual elimination. More recently, the Board has pointed to the merits of the Ombudsman (should provision be made for one) becoming the point to which complaints are lodged by members of the public making allegations against particular officers of the Commonwealth Public Service.

8.5.21 The Commission agrees that the provision in section 56 of the Act, permitting disciplinary charges against second division officers to be preferred
R186 and prosecuted by any person, should be repealed. However, it believes that there should be established procedures whereby members of the public who have serious complaints to make about the conduct of public servants have some assurance that their complaints are properly investigated and that where there are grounds for suspecting that a disciplinary offence has been committed, appropriate action is taken. As the power to charge and proceed against public servants for alleged disciplinary offences is limited to chief officers or, in the case of charges against chief officers, to the minister, the Commission believes that it should still be open to any person to lodge complaints about an alleged misconduct and that there ought to be administrative procedures to ensure that such complaints are recorded and investigated. It would seem that if the office of Ombudsman is created there would be many cases in which complaints on this ground would be directed to him in the first instance, or else referred to him by the minister or chief officer, and that the investigations of the Ombudsman might lead him to recommend the laying of disciplinary charges.

8.5.22 *Representations to ministers as a means of review:* A public servant can write to the minister of his or her department (or to another minister) to make allegations of maladministration or victimisation. The general practice in such cases is for the minister to ask his department to investigate the complaints. A complaint involving another department is usually referred to that department for advice. In either case, it is the complainant's department which is asked to investigate. Cases examined suggest that in some instances only superficial investigations were carried out after allegations of maladministration or victimisation were made, and call into question the belief that one's minister or local member of Parliament is always able to ensure that any allegation will be impartially investigated. The minister has to rely entirely on his department and the member usually has to rely upon the minister. An organisation cannot always be relied upon to investigate

1. PSB Memorandum No. 19, paragraph 24.

satisfactorily allegations made against itself. The machinery recommended in paragraphs 8.5.21 and 8.5.34–37 should allow a complainant more effective means of having such grievances examined.

8.5.23 *Review procedures in statutory authorities:* Commonwealth government employees, other than those in the Postal and Telecommunications Commissions, do not for the most part enjoy formal rights of appeal similar to those outlined in paragraph 8.5.9, irrespective of whether the Public Service Board has power to approve their conditions of employment. Where legislation covering employment of non-Public Service Act staff makes provisions for rights and procedures of appeal, these usually relate specifically to promotion and discipline. It is notable that in very few cases is there provision for specific grievance machinery of the kind contained in Public Service Regulation 33. Authorities tend either to have a staff manual incorporating reference to any forms of review of management decisions, or to rely on managerial discretion, subject to union representations. Appeal rights available to these Commonwealth government employees outside the Public Service vary widely. The Commission is aware of examples of delay, confusion and lowering of staff morale occasioned by failure, especially in smaller authorities, to establish channels for dealing with staff grievances and appeals. The recommendations which follow in the next section attempt to provide a framework appropriate for ensuring fair employment practices in all forms of Commonwealth employment.

A More Integrated Grievance Machinery

8.5.24 In formulating an integrated system of grievance machinery the Commission has followed the following principles set out in a discussion paper[1] circulated by the Public Service Board in March 1976:

> '1. to the greatest extent practicable commensurate with management responsibilities in the public sector, staff are entitled to have reviewed, at their request, decisions affecting them as individual staff members; while the primary concern must ultimately be that of effective administration, what is required is a reasonable balancing of interests between effective administration (including discipline) of the Service and fair consideration of legitimate staff grievances;
>
> 2. grievances should as far as possible, be resolved at the work face or at least within departments, rather than by seeking to pursue more formal grievance processes involving influences external to departmental management;
>
> 3. grievance processes should thus be seen as a complement to other management processes of supervision, leadership and staff counselling, and, provided they strike a reasonable balance, have benefits for management as well as staff—they should be clearly seen as administrative processes, separate in form from channels for complaint by members of the public about the administration;
>
> 4. grievance processes should be as fair, equitable, speedy, simple, informal, efficient, flexible and economical as practicable—access should be readily available to the staff member without requiring a knowledge of the complexities

1. The discussion paper, titled 'Grievance Processes in the Australian Public Service' was prepared by Board officers and circulated to heads of departments, staff organisations and other interested parties as a basis for consultation and discussion. At the time of circulation, the Board had not itself reached any firm views on the matter but indicated that it intended to formulate its attitudes, and proceed to detailed proposals, 'in the light of views expressed by departments and staff organisations on this discussion paper, and in the light of any views the Royal Commission may express'.

of the total administrative processes to deal with complaints that may have a number of facets;

5. the emphasis in grievance processes needs to be on what might broadly be called individual personnel management decisions, or the consequences for an individual staff member of personnel management decisions, with separate channels remaining available to deal with other matters;

6. in particular, the availability of grievance processes should not deny the right of a staff member to apply to the central personnel authority to ascertain whether he has an entitlement under his conditions of service—given the problems of definition it would be for that authority and those involved in grievance processes to ensure appropriate handling of requests according to their true nature;

7. whilst an appropriate role in the overall grievance processes should be reserved to the central personnel authority, there are sound philosophical historical and practical reasons for a degree of separateness of the formal machinery—but it is essential that there be a free flow of advice to the central personnel authority based on real knowledge of any difficulties being encountered in practice, to allow it to form an overview which may cause it to initiate changes in policies and processes.'

8.5.25 The machinery proposed by the Commission envisages clear roles for:

(a) departments and agencies;
(b) the Public Service Board;
(c) a Personnel Appeals Tribunal;
(d) a Commonwealth Services Ombudsman.

8.5.26 *The definition of the terms 'review' and 'appeal' in the grievance context:* In its consideration, the Commission has borne in mind the different forms of review available. These are:

(a) review, by the body which has delegated its power, of the decisions made by its delegate. The body delegating does not by delegating forfeit its power to exercise the power delegated. In many cases it can override decisions taken by the delegate. However if the delegate has validly exercised his delegated authority so as to confer rights, for example, to grant an allowance, the benefit so conferred cannot be taken away;
(b) review by a body whose consent or approval is needed to make a decision effective, for example, review by the Public Service Board of provisional compulsory retirements by departments;
(c) review by way of appeal. A true appellate body is one having power to overturn the decisions appealed against and substitute its own decision. The Administrative Appeals Tribunal is a good example. It is of course possible to limit appeals jurisdiction, for example, to questions of law;
(d) review involving power only to investigate, report and recommend for example, review by an Ombudsman.

8.5.27 *Role of departments and agencies:* The resolution of staff grievances forms part of the management responsibilities of heads of departments (Chief Executive Officers). Nevertheless it would be consistent with the standard-setting role for the Public Service Board to issue guidelines to assist them in this responsibility.

8.5.28 In broad terms, the Commission considers that intra-departmental grievance procedures should have the following features:

(a) *Informality:* informal counselling and explanations of departmental requirements should be relied upon;
(b) *Flexibility:* the approach should be 'tailored' to fit the particular problem encountered;
(c) *Openness:* the staff member should be advised frankly of the reasons for the initial decision and any subsequent internal review; and where appropriate, the possible consequences of non-compliance;
(d) *Access:* decision-makers should be identifiable, and accessible at known contact points; a staff member should have access to officers at appropriate levels outside his own working unit; a staff member's complaint should, if he wishes, be submitted to his department head (or a senior officer authorised by the department head to deal with the matter on his behalf);
(e) *Speed:* wherever practicable, time limits should be set for stages in the process consistent with adequate attention to the matter;
(f) *Decisions:* replies to written complaints should be in writing, even where the staff member advises orally that he is satisfied following discussion or that he wishes to withdraw his complaint; to avoid possible misunderstandings it may be appropriate for any withdrawal to be recorded in the written response; it is a more open question whether oral complaints should be replied to in writing;
(g) *Publicity:* staff members should be made aware, for example through documentation and induction processes, of grievance procedures available to them.

8.5.29 It is at the operational levels of the Service that adequate grievance processes should have greatest effect. We agree with the Public Service Board that the attitudes of staff are influenced by their views of management behaviour especially that nearest to their work levels. If an atmosphere of trust and frankness can be established then staff and management are more likely to talk out their difficulties at the workplace. We *recommend* that departments and authorities act to improve the knowledge of their staffs about grievance procedures and conditions of employment generally. Staff at all levels should be involved in making such knowledge generally available. It is particularly important that top management resist any tendency to treat resort to grievance machinery as improper. R187

8.5.30 *Role of the Public Service Board:* The Commission envisages that the Public Service Board should continue to review individual personnel decisions taken in exercise of powers it has delegated. The Commission suggests that regulations should prescribe the procedure to be followed when an officer or employee desires a matter to be dealt with by the Board. The Commission considers that in the review of Regulations 6 and 33 being considered by the Board, a right of appeal to the Personnel Appeals Tribunal should be provided also, but the appellant should have to choose between the two procedures: R188

(a) where probationary appointment is annulled on the ground that the probationer is not eligible for appointment;
(b) where an application for appointment is rejected on medical or other (non-security) grounds.

8.5.31 *Role of a Personnel Appeals Tribunal:* The Commission sees the need for a Personnel Appeals Tribunal, which would supersede the *ad hoc* disciplinary R189

appeals boards provided for under the Public Service Act, and would be given jurisdiction to hear and decide appeals against the following:

(a) a determination that an applicant for appointment to the Public Service is not eligible for appointment;

(b) a determination that the probationary appointment of a person to the Public Service be annulled on the ground that he is not eligible for permanent appointment;

(c) a determination that a person be retired from the Public Service on the ground of incompetence, inefficiency or incapacity;

(d) a determination that a person is guilty of a disciplinary offence under the Act (in this case appeal would be on the ground of innocence of the charge or excessive severity of the punishment).

Some appeals lodged under (a) and (b) above may involve questions of national security and hence may need to be dealt with by any special tribunal arrangements which flow from the report of the Royal Commission on Intelligence and Security.

8.5.32 The Commission envisages that the Personnel Appeals Tribunal should make use of the Administrative Appeals Tribunal membership and supporting organisation, involving some members of the latter Tribunal as members of the Personnel Appeals Tribunal and sharing common administrative resources.

8.5.33 It should be noted that whilst the disciplinary appeals boards would be superseded by the Personnel Appeals Tribunal, the promotions appeal committee structure provided under section 50 of the current Public Service Act, would remain in its present form but would have added to its function cases relating to retirement for redundancy involving consideration of relative efficiency (see paragraph 8.4.92).

8.5.34 *Role of a Commonwealth Services Ombudsman:* The Commission recognises that there are likely to be situations in which neither the internal processes for review and resolution of staff grievances nor provisions for appeal to independent tribunals will prove entirely adequate for the investigation of complaints or for their satisfactory resolution. It is particularly mindful of the fact that in a number of statutory bodies which do not employ staff under the Public Service Act, machinery for redress of staff grievances is either non-existent or deficient.

R190 8.5.35 Consequently the Commission believes that there is a strong case for the establishment by statute of an office of Commonwealth Services Ombudsman, similar to that proposed for the Defence Forces in the Defence Forces Ombudsman Bill 1975. We would envisage that the Commonwealth Services Ombudsman would have authority to investigate and make recommendations with respect to complaints by officers and employees of the Commonwealth Public Service and by officers and employees of public authorities established by or pursuant to laws of the Commonwealth, concerning their service as such officers or employees.

8.5.36 But we would also envisage that the Commonwealth Services Ombudsman should have a discretion not to investigate or not to continue with an investigation when he forms the opinion that the complainant has a right to cause the action which is the subject of the complaint to be reviewed by a court of law or tribunal established by enactment, or has a right to seek redress elsewhere, for

example the right to seek review by the Public Service Board. (We note that similar discretions were to be given to the Defence Forces Ombudsman.)

8.5.37 If both the office of Commonwealth Services Ombudsman and of general Ombudsman are established, we would see advantages in an arrangement whereby the premises and staff of these two offices, both in Canberra and the States, were shared, and delegations made under both Acts to the same investigating officers.

8.5.38 *Summary of revised grievance machinery structure:* It is envisaged under the structure recommended by the Commission that where a grievance cannot be satisfactorily resolved at departmental or agency level then further review or appeal recourse would rest in the following directions:[1]

Nature of Grievance	*Review Body*
1. *Rejection of application for appointment* on ground of ineligibility under section 34—determination of eligibility—	
(a) medical grounds	Either Public Service Board or Personnel Appeals Tribunal
(b) other (non-security) grounds	Either Public Service Board or Personnel Appeals Tribunal
(c) security grounds	As recommended by Royal Commission on Intelligence and Security
2. *Annulment of probation* on ground of ineligibility	Either Public Service Board or Personnel Appeals Tribunal
3. *Qualifications for positions* Determination that the complainant is not qualified for position	Public Service Board
4. *Classification of a position* Application by complainant for re-classification of position held by him	Public Service Board
5. *Compulsory retirement*	
(a) provisional retirement by department on grounds of incompetence or incapacity	Public Service Board
(b) PSB confirmation of provisional retirement on grounds of incompetence or incapacity	Personnel Appeals Tribunal
(c) retirement for redundancy where a determination has been made concerning the complainant's relative efficiency	Promotions Appeal Committee
6. *Wrongful discrimination in employment*	Office of Equality in Employment*, Public Service Board, Commonwealth Services Ombudsman*
7. *Conditions of employment* Determination regarding complainant's entitlements under PSB determinations, under PS Act or regulation made thereunder	Public Service Board

1. The bodies marked * in the table have the power to investigate, report and recommend. All the others are appellate bodies having powers to set aside decisions appealed against, and substitute their own decisions.

8. *Discipline*	
(a) determination of breach of discipline	Personnel Appeals Tribunal
(b) penalty imposed	Personnel Appeals Tribunal
9. *Complaints in general concerning employment*	Public Service Board (in relation to reg. 6, 33, 111), Commonwealth Services Ombudsman*

8.5.39 The Commission acknowledges that the complexities associated with the definition of grievances which often involve more than one issue are such that it is extremely difficult to set down an exhaustive formula for future machinery. However we believe that the structure and guidance outlined above will provide an adequate indication of the detailed machinery structure that the Commission recommends.

Statutory Rights and Duties

8.5.40 Rewards, discipline, termination of service and resolution of grievances are integral parts of the management process. But they are more than that. The procedures governing them also constitute some of the rules within which management and staff must operate and form part of the contractual relationship between them. That relationship at times demands a degree of certainty and precision. The contractual relationship so established expresses the needs of both management and staff for fair dealing, and concerns the rights and duties of both parties. These rights and duties can be so formulated that they can become instruments of improved performance and of resistance to subservience and slavish conformity. They can therefore help expose managerial inadequacy and contribute to innovation in organisation, as well as revealing incapacity and poor performance by employees.

8.5.41 It has seemed important to the Commission therefore to attempt to give greater precision to the explicit and implicit content of that relationship. This content covers more than the processes described above relating to disciplinary action, termination of service and the processes of grievance review. It comprehends also a system of rules and entitlements governing the conduct of employer and employee over a wide range of matters: rules and entitlements resting partly on legislation but also on common law, modified and augmented by administrative practice.

8.5.42 It has not been possible, despite thoughtful work by the Public Service Board in this field,[1] to categorise rights and obligations or to describe them exhaustively. This has led us to emphasise the need to clarify and make explicit the essential elements in the contractual relationship between the government and its employees and so far as possible to give them binding legal force. In the succeeding paragraphs we seek to identify these essential elements and to review their relevance to important problems arising from the exercise of managerial authority in staff matters. In these matters the Commission sees its recommendations as supplementing the valuable work done by the Public Service Board and Joint Council.

8.5.43 Statutory prescription of certain conditions of employment in all forms of Commonwealth employment has a number of advantages. Perhaps most

1. Memorandum No. 19, The Rights and Obligations of Public Servants.

importantly, it is the only way to qualify the uniquely privileged position of the Crown as employer. Legislation also means that employees' rights cannot be altered because of administrative expediency or managerial convenience, without formal parliamentary approval of any proposed amendments. Thus Parliament is able to require a more effective accountability from the various parts of the executive. A number of other advantages have been identified in the course of Joint Council consultations.[1]

8.5.44 However, the Commission has not been able to discern any dominant principle which in the past has determined whether a particular condition of employment ought to be dealt with by statute. The statutes establishing services and authorities differ greatly in the provisions relating to employment. Section 67 of the Constitution envisages that Parliament has responsibility for conditions of employment of government employees. It would generally be agreed that partisan political activity should be avoided over employment issues, and that Parliament should limit its intervention to such matters as long service leave, superannuation, maternity leave and compensation legislation (see Chapter 9.4.5). However, the Commission believes it to be desirable that statutes relating to Public Service and other Commonwealth employment should establish certain rights, duties and remedies for those employed which Parliament wishes to place beyond reach of easy variation. The Commission emphasises that such legislation should cover duties as well as rights, and should ensure access of the parties to independent grievance authorities. What we propose is an extension and refinement of provisions which are already in the Public Service Act.

A Framework of Rights

8.5.45 It may not be practicable to establish for all government employees a common framework of basic rights and privileges, although such a framework represents an ideal which should be further investigated and pursued. At present attempts to achieve it may well be distracted by the diversity of employment agencies, the variety of working environments, and the different expectations of both managers and employees. Implementation of the proposals in Chapters 9.4 and 11.6 for a closer integration of the Commonwealth government workforce will provide an opportunity to develop such a framework.

8.5.46 The Commission *recommends* that a statutory framework of rights be incorporated in the Public Service Act (or its replacement) along the following general lines. R191

8.5.47 *Services for which engaged:* We *recommend* that an employee be entitled to receive a statement in writing, prepared and if necessary varied by the Chief Officer or his delegate, of the work which he is to perform. The statement should detail the objectives and the nature of the work to be performed. It should be effective for both management and employee, unless formally varied. The statement of duties could then serve as the basis for scrutiny of the agency's classification and selection processes by the Public Service Board, Auditor-General and other bodies and, in processes related to discipline, promotions appeals and compulsory retirements, as primary evidence of the duties for which the person is employed. R192

1. See particularly Joint Council Report of the Discipline Sub-Committee, May–November 1973.

8.5.48 A number of the common law obligations of an employee relate to the particular duties for which he is employed. Failure to perform such duties is the basis of disciplinary action under section 55 of the Public Service Act. On the other hand, under common law a servant is not bound to do something not properly related to the character or capacity for which he was hired.[1] Under the Public Service Act, responsibility for the determination and expression of duties is imprecise. By contrast, section 42(5) of the recently enacted Telecommunications Act 1975 places express authority in the Commission or Managing Director to direct duties but does not establish a process by which duties are embodied in a form which can be communicated to the employee. The process of determining and varying work statements can and should be flexible but the resulting statement should be one upon which the worker and manager can both rely and which provides a basis for classification. We discuss duty statements further in Chapter 9.2.

R193 8.5.49 *Tenure of employment:* We *recommend* that the employing authority should provide a person at the time of appointment with a statement in writing of the minimum term of employment and the circumstances and procedure under which it may be terminated. This statement should include reference to any procedure open to the employee for review of such termination. In most instances tenure would be established under the Public Service Act, sections 57–59, which in substance provide for an officer's continuance in employment until 65, unless retired or dismissed for one of the causes stipulated in the Act.

8.5.50 It is not uncommon for persons engaged under the Public Service Act to misconceive the nature of their appointment. In part this is attributable to a failure to point out that often no contractual arrangement has been made and that appointments may be terminated for causes described. The recommendation is designed to ensure that initial advice on recruitment establishes clearly any legal entitlements, whether as tenured or non-tenured staff.

8.5.51 *Conditions of employment as rights enforceable or recoverable at law:* To remove
R194 any doubts which may at present exist, we *recommend* that each employee should have a legally enforceable right to all entitlements, including salaries and allowances, prescribed by legislation, determinations and awards.

R195 8.5.52 *Appeal and review processes founded in statute:* We *recommend* that employees should have a statutory right to appeal or seek review by the appropriate machinery established or specified under the Act in accordance with our proposals in paragraphs 8.5.24–39.

8.5.53 *Equal opportunity and avoidance of discrimination:* At paragraph 8.3.25 we recommended that Parliament legislate to require all agencies of the Commonwealth government to exercise any powers or discretions they possess in a manner which does not discriminate in employment on grounds of race, creed, sex, age, marital status, political belief, security record or educational qualifications except where reasonably and justifiably required for the effective performance of the work to be undertaken. The law should however provide that this requirement should not prevent action taken with the approval or on the direction of the Executive Council, to confer rights or advantages on members of a group designated as disadvantaged.

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1. Halsbury Laws of England, 3rd Edition, Vol. 25, 485.

8.5.54 *Recovery of overpayment by employing authority:* The general rule that payments made under mistake at law are not recoverable by legal action does not apply where money is paid by the Crown. We believe that provision should be made to deal with cases where repayment of excess salary or allowances received in good faith would cause hardship. In this connection, we note that section 38A of the Victorian Audit Act provides an upper limit on the weekly rate of recovery of the amount of over-payment and requires due notice of the Treasurer's or public authority's intention to recover overpayment and the manner of doing so. Furthermore, upon request from the employee concerned, the Treasurer or public authority has discretion to reduce the rate of repayment or to remit the whole or part of the amount to be repaid. We *recommend* that a similar provision be made for Commonwealth government employees who should also have the right of appeal to the Personnel Appeals Tribunal on the amount and rate of repayment. R196

8.5.55 *Civil and political rights:* The Commission has had drawn to its attention a number of instances of management attitudes and practices inhibiting the exercise of civil rights in the sense that the term 'rights' is used in the Racial Discrimination Act 1975[1]. We *recommend* that, except as expressly provided by an Act or regulation made under that Act, or as is necessary for the proper performance of his duties, a government employee should be free to exercise the civil and political rights, liberties and privileges generally enjoyed by citizens. Such a provision might serve to discourage, for example, impediments being placed in the way of staff who wish to occupy honorary office in community organisations, or who wish to make some public comment, or who do not wish to avail themselves of an option to be exempted from jury service. R197

A Framework of Duties

8.5.56 Duties as well as rights and remedies need to be established by statute if only to indicate the circumstances in which employment may be terminated or other sanctions imposed. A substantial body of law as to the duties of an employee has been developed. Much of it is encapsulated in section 55 of the Public Service Act in a form which itemises conduct constituting an offence by an officer. We have already noted that the provisions of that section have been revised and amending legislation is awaited.

8.5.57 One advantage in prescribing the duties by statute is to ensure that there is a clearly expressed standard against which performance may be assessed. Such prescription needs to be intelligible to staff and any reasonably informed and interested member of the public. Statutory duties operate positively (regardless of sanctions to enforce them), particularly for a workforce motivated by respect for public policy. If basic duties are given clear statutory expression, they will provide more readily a fair basis for disciplinary action for failure to perform them by the employing authority or by a citizen affected by that failure. It may also help reassure the community that the administration is guided by appropriate values.

8.5.58 However we see merit in the use of the Board's regulation making power to set down the more detailed and specific duties. Only the more important should be set down by statute.

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1. Section 10 and Article 5 of the Schedule.

8.5.59 A clear prescription is particularly necessary in relation to possible conflict of official and personal interests. The Commission has been asked by the Prime Minister to advise upon the question of declaration of pecuniary interests by public servants. A number of provisions designed to limit the possibility of such conflict are to be found in the Public Service Act and regulations such as the prohibition of outside employment, acceptance of fees, holding office in public corporations, or paid office in connection with commercial business (section 91, Public Service Act). The Commission sees value in the suggestion by the Public Service Board that the Joint Council should review these prohibitions against the background of current attitudes and practices. The Commission believes that for the purpose of the Act, it would be best to deal with such matters by statements of duty in general terms rather than by prohibition of particular conduct. Particular prohibitions might, after the review, be incorporated in Public Service regulations or Board determinations relating to particular occupations.

8.5.60 The Commission's views as to the proper formulation of a public servant's duty to avoid conflict of interest have much in common with those expressed by the Public Service Board to the Joint Parliamentary Committee on Pecuniary Interests of Members of Parliament. The Board suggested that there would be merit in a widely understood convention that a public servant should regulate his interests to avoid conflict and should advise his minister or department head of any pecuniary interest that might at any time, or in relation to a matter with which he had to deal, conflict or appear to conflict with his public duty. However we hold that matters of such importance to the probity of the Service should not rest simply upon convention but upon explicit statutory duty, breach of which is subject to disciplinary penalty. At paragraph 8.5.64(d) our recommendation upon the terms of the duty is set out.

8.5.61 The Public Service Board, in a comment to the Commission on this subject, has enumerated an impressive list of reservations about any proposal that public servants be required to register their pecuniary interests. As Sir Frederick Wheeler observed in evidence to the Joint Parliamentary Committee, the approach of basing a registration system upon clear definition of those senior officers who should be included because of their official duties, 'might produce the conclusion that it was not a goer'. The Commission believes nevertheless that there is no insuperable obstacle to the development of a useful but perhaps incomplete system of registration. A system for registration of the pecuniary interests of ministers has now been developed and the Prime Minister has expressed to the Commission his personal view that:

> 'First and Second Division officers of the Australian Public Service, office-holders and statutory officials of equivalent status, and other officers in sensitive areas dealing with such matters as contracting and procurement, should be required to make a declaration of interests . . . (which) could be held on a confidential basis by the Public Service Board or . . . as may be appropriate . . .'

8.5.62 Detailed attention to those activities which involve greatest risk of conflict of interest will need to be undertaken in the development of a useful system of registration of declarations of interests. However, a system of registration could initially cover the occupational categories listed by the Prime Minister and officers classified at levels equivalent to clerical-administrative class
R198 8 and above, unless specifically exempted by the minister. We *recommend* that a system of registration of declarations of direct and indirect pecuniary interests be

developed by the Public Service Board along the lines suggested by Sir Frederick Wheeler in his evidence to the Joint Parliamentary Committee[1]:

> 'If it is decided that Members of Parliament should disclose their pecuniary interests, it would be no less appropriate that similar rules apply to those who provide advice to Ministers, including Permanent Heads, senior policy advisers and ministerial staff and, indeed, even less senior officers . . . If disclosure of conflicting interests is found desirable, it would probably be adequate for public servants to disclose their pecuniary interests in a 'register' held within each department. Access to the information could well be restricted to the responsible Minister and his Permanent Head. There would appear to be no real requirement to breach individual privacy further by making the information public, unless circumstances, in the opinion of the Minister, warranted such action.'

In addition, however, we see merit in departmental heads and heads of statutory authorities registering their pecuniary interests with the Board, access to such disclosure being restricted to the relevant ministers.

8.5.63 The establishment of such a register would not make less important the obligation to draw attention to an actual or an apparent conflict when it in fact emerged. Such a conflict might, of course, arise from a variety of sources other than registrable pecuniary interests and could in some instances have considerably more influence than a direct pecuniary interest.

8.5.64 In outline, the duties which we *recommend* as warranting specific mention in the statute (see paragraph 8.5.58) include the following: R199

(a) a person employed shall comply with reasonable directions given by a person authorised to issue such directions;

(b) a person employed shall display skill, care and diligence in performance of work for which he or she is engaged;

(c) a person employed shall avoid waste or extravagance in the use of public resources;

(d) a person employed shall so regulate personal interests and dealings of a kind involving financial gain that they do not conflict or appear to conflict with his or her public duty;

(e) unless specifically exempted by the minister, a person employed and classified at or above a specified level shall declare any direct or indirect financial interest in a register held by his head of department or statutory authority or, in the case of head of department or statutory authority, held by the Board. The minister shall have access to such a register;

(f) a person employed shall reasonably assist members of the public in relation to matters within the area of work performed by the person employed to the extent authorised or required pursuant to the employee's duties or to any rule or procedure applicable to the employee;

(g) a person employed shall not behave in his official capacity in a manner amounting to improper conduct;

(h) a person employed shall comply with the provisions of the regulations, by-laws, and determinations as applicable from time to time.

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1. Letter from Sir Frederick Wheeler to Chairman of Joint Committee, 13 March 1975. Transcript page 1272.

8.5.65 The Commission has given serious thought to whether the duties referred to in the Act should refer in any way to 'improper conduct' outside the performance of professional duties, that is in the private life of the officer concerned. While the Commission can envisage circumstances in which such conduct could impair the officer's capacity to perform his work efficiently or could bring the Service into disrepute, it has decided not to recommend any specific reference to obligations in respect of private behaviour. We believe such behaviour is relevant only in so far as it bears generally or specifically upon the performance of official duties and are satisfied that there is, in clauses (b), (d), (e) and (g) above, sufficient basis for senior officers to deal with such matters when in fact, and to the extent that, they affect performance. With regard to matters such as degrees of political activity, the Commission believes these are best left to the discipline of social pressure by the relevant peer groups, including consideration by any collective departmental management arrangements (see Chapter 4.3.10–13). Staff organisations could, however, consider means whereby they might deal informally with criticisms directed at individual members.

8.5.66 Various problems have arisen in recent years in which staff find that their religious views or other matters of conscience may potentially conflict with their obligations as government officers. One such problem, involving a number of officers in the then Postmaster-General's Department, was brought to the notice of the Commission in a submission.[1] While it is not easy to lay down general rules for resolving such conflicts, the Commission believes that each case warrants sympathetic consideration, and that avenues should be open to staff to discuss with management any doubts which may arise. It is to be hoped that, in many such cases, exemption in specific instances from the requirements of particular rules may be possible. Where this is not appropriate, the only course may be for the staff concerned to transfer to other duties. It is important that management ensure that such general rules as are laid down and applied go no further than is required for the maintenance of efficiency and the proper conduct of public business. Subject to this, it should be possible to resolve constructively those matters of conscience which may arise from time to time, and we believe that this would be the appropriate response of managers.

Commissioner Munro expresses the following reservations to paragraphs 8.4.84–104 and section 8.5 of this chapter.

> The Commission's recommendations on penalties for discipline and on grievances, rights and duties of persons employed by the Commonwealth will, if adopted, contribute to satisfactory reform of an important feature of the employment relationship of public servants. However, as the Commissioner most closely associated with this field of the Commission's inquiry, I am concerned lest serious deficiencies in the existing system of grievances resolution be maintained or carried over into any new system. The survival of deficient

1. Submission No. 609, in which the officers told the Commission they had found a conflict existing between the Department's requirement that they should not divulge information obtained in the course of their duties, and their own religious precept that any information relating to the practice of their faith by another member should be related to that member or other members. The officers quoted a staffing provision made by an English banking company advising members of the religious group to discuss such problems with the company's personnel manager, 'who (would) be able to excuse (them) from the strict interpretation of the Declaration of Secrecy in the particular instance'.

practices is made more probable by the non-publication of the case studies undertaken and the deletion from the Commission's Report of detailed conclusions on such matters. The deletion of this detail is, to some extent, a matter of style but also stems from a reluctance of the Commission as a whole to offer conclusions based on evidence to which only one member of the Commission has had opportunity to give detailed attention. For my part, I have been uniquely placed to form such conclusions and I believe it important that this chance be taken to promote greater understanding of what I believe to be a neglected area of public personnel administration in Australia.

Staff rights and remedies are of importance in personnel management and industrial relations. However, too little attention has been paid to their function as instruments of accountability of public service management.

The essence of much of what I believe could responsibly be said by the Commission has been set down by me in Appendix 3.M originally prepared as a draft for the Commission's Report. This document parallels the treatment of the subject in the Commission's Report, and has been revised to take account of some of the comments on the text as originally drafted. The points of most significant variance from the Commission's treatment are predominantly contained in Parts 2, 3 and 4 of that Appendix.

I also express a reservation from the Commission's comments and recommendations at paragraphs 8.5.6–7 on the case of Mr W. F. Toomer. I have made detailed and extensive examination of the available documentation relating to Mr Toomer's submissions and case history and am responsible for a case study based thereon. Rather than comment upon the relevant section of the Commission's Report, I set down my own conclusions and recommendations on the case to the extent that is necessary for this purpose:

(1) The evidential material upon which the case study was based provides a *prima facie* basis for concluding that a Disciplinary Appeal Board established under the Public Service Act was misdirected as to the basis upon which it should determine Mr Toomer's appeal, on the ground that he was innocent of the disciplinary offence of improper conduct arising out of the effect and content of public comments by him on Perth television stations on separate occasions in June and July 1974. As this was the first charge of this kind since the repeal of Public Service Regulation 34(b), and for other reasons, the decision on Mr Toomer's appeal makes it a 'leading case' and one likely to have had, and to continue to have, significant bearing upon the interpretation of a number of personnel practices and conditions.

(2) The case study provides a salutary example by which to teach improvement within the Public Service not only in the achievement of better performance and discipline but in the use of grievance review procedures to promote effective administration and sound personnel management.

(3) The method of the case study, which to some extent was a product of uncertainty as to the Commission's timetable, has not provided optimum opportunity for the selection of facts and opinions, which make up the study, to be fully tested by all or any of the individuals dealt with in the case study. However, for the most part the documentation on which the study was based affords a good access to the views of the main protagonists about the matters dealt with in the study. A draft of the study was made available to the Department of Health, the Public Service Board, and the Department of the Attorney-General and the remarks of these bodies, and those to whom it was referred by them, were taken into account. The completed case study was made available to the three officers most directly affected but it is probable that wider dissemination to those and other individuals would cause additional relevant information warranting notice to be disclosed.

(4) I doubt whether any valuable purpose would now be served by further inquiry into aspects of quarantine enforcement beyond any which may be carried out incidental to the functions of the Department of Health. However, considerations related to the impact of the particular case upon personnel practice generally and the real possibility of injustice to individuals directly concerned led me to recommend that the whole case from the original alleged offences onward be reviewed by an appropriately constituted Tribunal external to the Public Service. This Tribunal should have access to and be able to take into account the case study and the matters covered therein.

(5) It would seem less than equitable that persons appearing before such a Tribunal (if constituted) should have to meet legal expenses. Special arrangements for necessary expenses, or the retention of Counsel assisting, ought therefore be favourably considered.

(6) In order to place the case study formally before the government in this context I adopt and include it as part of the reservation and of my report on the terms of reference directed to me and my fellow Commissioners. While it is not to be printed with the main body of the Report the case study is to be transmitted in association with the Report and this reservation on the basis that publication of the case study should be a matter for the government. Comments made on the study by four officers of the Department of Health are appended to the study, which has been modified in minor respects to take into account the specifically directed comments made by one of the officers. I recommend that the case study be published in some generally available form. Should this recommendation not be accepted but the further review proposed come to pass, I suggest that favourable consideration be then given to publication of the case study upon the basis that any persons who wished to take issue with any matter of substance considered to be adverse to them be given opportunity to be heard by the Tribunal.

The Chairman expresses the following reservation to paragraph 8.5.7:

While not supporting all the points made by Mr Munro in relation to Mr Toomer's case, the Commission's examination of that case has been sufficient to convince me that an independent inquiry is necessary to ensure that justice is done to Mr Toomer. I do not therefore support the recommendation that the establishment of such an inquiry should be at the discretion of the Public Service Board.

Chapter 9 Staffing the Administration—II Structure and Management

9.0.1 In the previous chapter we considered how the recruitment and employment of public servants could be achieved in a more equitable and efficient way and how the individual public servant could be rewarded or disciplined when appropriate in a fairer manner. In this chapter we cover a group of topics also related to the staffing of the administration—but focussing now on the structure and organisation of the Service and the particular problems it presents to management and staff organisations.

9.0.2 We examine first some questions about the size and use of the service or the government workforce, the organisation of work according to the skills and status of staff and the various categories of employment (9.1–3). We discuss the possible development of a unified service and propose a new managerial relationship between the Public Service Board and various statutory authorities, legislative and judicial agencies (9.4). The selection, training and development of managers in the administration is then discussed in 9.5. The chapter concludes by examining how managerial authority is shared through industrial relations processes and arrangements for participation by or consultation with staff.

9.1 CONTROL OF STAFF NUMBERS

9.1.1 The size of the government workforce has traditionally been a matter of concern. This concern reflects not merely the desire to conduct the government's affairs as efficiently as possible but also antagonism to the growth of the public sector and a conviction that the bureaucracy if left to itself will increase beyond the requirements of the functions it has to perform. As we emphasised in Chapter 2.3 it is not for the Commission to judge what public sector functions might properly be. We mentioned in Chapter 3.1 that we do not subscribe to the view that the increasing cost of government administration necessarily denotes inefficiency. However, we are concerned that the administration's use of manpower should be economical and that current practices which may encourage waste should be revised. Within the Public Service itself responsibility for controlling numbers lies essentially with the Public Service Board, although the Executive Council is required to approve the creation or abolition of an 'office'.

9.1.2 The Board carries out these responsibilities through:

(a) the control of departmental and agency establishments by virtue of its powers over the creation of 'offices' and 'positions';
(b) the planning of manpower use;
(c) the administration of staff ceilings.

Control of Establishments

9.1.3 A department (or a statutory body staffed under the Public Service Act) requires the approval of the Board for the organisational structure it proposes,

that is, for the numbers of officers at various salary classifications. The Board is also responsible for setting the standards of responsibility and performance required for positions at any given level of classification.

9.1.4 In recent years the Board has introduced some changes designed to delegate increased authority in these matters to the head of the department or agency concerned. The most important of these changes has been the gradual introduction of the Bulk Establishment Control System.

9.1.5 The main features of this system are:

(a) a department sets out annually the positions it requires at each grade and classification with supporting data;

(b) the Board assesses this request as a whole and establishes a pool of positions on which the department can operate;

(c) the Board carries out sample checks of positions established from the pool to satisfy itself that all classification standards are being met.

All departments are now operating under this scheme, although the Board submitted that departments varied in the adequacy of the establishment control they exercised within it. On the other hand, many departments urged that the Bulk Establishment Control System, although an improvement on the earlier detailed control, still requires such external control in situations where greater freedom is most important:

(a) when major organisational changes are necessary;

(b) where significant changes occur in the duties of the department;

(c) where an unforeseen emergency arises.

Apart from these general criticisms the scheme is seen as inadequate because:

(a) second division and some senior third division positions are excluded;

(b) adjustments of organisation structures without reference to the Board are too restricted;

(c) alterations to the duties of positions are also too restricted (although there is greater flexibility than earlier);

(d) provision for new functions or significant changes in functions is not made;

(e) documentation required is still excessive;

(f) proposals require departments to forecast so far ahead and to list the number of positions of each class and grade so that the pool provides only limited flexibility;

(g) complete application of the scheme is unduly delayed;

(h) departments operate only under Board delegation and not by right.

9.1.6 A paper prepared for the Commission by Mr B. F. Jones reviews the working of the scheme and considers these criticisms.[1] The paper concludes that despite them the scheme represents an important evolutionary development and is evidence of the willingness of the Board to modify its procedures and to extend its delegations significantly. It argues however that progressively the role of the Board should be limited to the formulation of general policies, the issue of guidelines and the establishment of standards within which the departmental

1. B. F. Jones, *Salary Classification in the Australian Public Service*. Published by the Commission as a discussion paper. The paper's conclusions and recommendations can be found at Appendix 3.C.

head would have full operating responsibility for personnel management. The Board would then serve as a source of professional guidance and would monitor the degree to which departmental performance conformed to its guidelines and standards.

9.1.7 The Commission generally endorses these judgments and looks to a steady increase of departmental authority. To the extent that this occurs the power of the Board to enforce its standards set for classification would become the more important. This matter is dealt with in paragraphs 9.2.1–5 below.

Manpower Planning and Control

9.1.8 In Chapter 3 we recommended a process for developing Forward Estimates of departmental use of financial and human resources. The proposal we outline there and discuss in detail in Chapter 11.2 and 11.6 (on the role of the Public Service Board) will involve individual departments making decisions about their future staffing needs and negotiating with a committee of Cabinet advised by the Board for triennial 'manpower estimates' and a yearly 'manpower budget'.

9.1.9 If the framework of these proposals is accepted the provision in section 29(1) of the Public Service Act relating to the creation and abolition of offices should no longer be necessary. The essential elements are first the control of numbers, which should be by decision of the government in the context of the Forward Estimates and the Budget process. Second, the maintenance of classification standards (section 29(2)), which should continue to be a responsibility of the Board (see section 9.1). Removal of the formal requirements for position creation by the Executive Council will avoid the cumbersome processes associated with section 29(1). We believe that as the system we propose (see particularly paragraphs 11.6.7–18) becomes effective it should be possible to amend the legislation to eliminate those processes. If this were done the following elements in the system would ensure adequate control both of numbers and of classifications: R200

(a) government control over staffing levels will be achieved through the manpower budgeting process and the responsibility of individual permanent heads to their ministers;
(b) within the limits set by manpower budgets, heads of departments should be made accountable for the effective and economical use of staff and determine, introduce and vary organisation structures within their respective departments;
(c) heads of departments should submit regular returns on establishments and staffing to the Board, in accordance with its requirements;
(d) on behalf of the government, the Board should monitor departmental and Public Service employment against budgets and report as required to the government;
(e) the Board will retain the power (to be exercised as a reserve power) to classify and should audit grades allotted by heads of departments, recommend the alteration of grades not conforming with approved standards, and in the last resort reclassify (see paragraph 9.2.3).

9.1.10 In general the Public Service Board should have the power to review the way in which departments are using their staff, by procedures based partially on

those now in operation for the staff utilisation reviews. It should investigate the way in which departments have followed up, through their appointment and promotion procedures, the indications given to the Board during the estimates discussions. Although it might be objected that in this way the Board would have no direct *ex ante* power of control over how departments operate, as it has had in the past, this is one of the consequences of accountable management and should not, we believe, lead to excessive additions to departmental staff complements. In the first place, the Board would be able to keep a close check on instances where departments vary from their estimates by comparing the previous year's estimates with the statement of position at the time new estimates were under discussion. It would also have available to it assessments from its staff utilisation review teams and also, periodically from the Auditor-General's efficiency audits. Where there appeared to be ground for believing that a department had not been sufficiently responsible in its use of staff, steps could be taken in the course of preparing estimates for the coming year. There would be no impediment to the Board's proposing to the government that a department should not be allowed to add more than a certain number above a particular salary level, if it considered that there had been an inappropriate drift upwards of departmental classifications. The Board should report annually to Parliament on such matters, as would the Auditor-General.

9.1.11 It is not our purpose to break down the concept of a service which is largely staffed by those who have made it their career. Accordingly we have recommended that while removing the procedures and the now largely ineffective controls associated with section 29(1) of the Public Service Act, relating to the creation and abolition of offices, tenure should be provided through the terms on which people employed are appointed to a department (see Section 9.3, Categories of Employment). This tenure would remain with them whether they were working within the department itself, or were serving a period of rotation, or were on secondment for some special purpose. The legal consequences of the current unattachment provisions will in this way not fall so arbitrarily on the individual. Instead, only when persons employed are in excess of the numbers allocated will there need to be any consideration of redundancy: wherever staff are deployed they will remain attached to the department and it will be the responsibility of departmental management to ensure that there is work for them to do when they return from secondment, rotation or other special duties. Officers not actually serving with the department can be shown as such in annual staff returns. It will be more informative to show in what capacity they are serving elsewhere, than simply as at present to list them as 'unattached'.

Staff Ceilings

9.1.12 In the past control of staff levels in departments and other agencies controlled by the Public Service Board has rested predominantly upon the requirement that the Board approve establishments by obtaining the formal creation of positions. In recent years this has from time to time been reinforced by staff ceilings or limits imposed by government direction on the total size or rate of growth of the Service over a specified period. Considerable criticism has been directed at staff ceilings as a control device. The Commission initiated a research project on the use of staff ceilings and the results of this work are published with

our Report.[1] Much of the criticism is endorsed by the consultant's report which urges that more effective staff reductions can be achieved by longer term planning and that such planning is compatible with targets for reductions at least on established working units. Experience overseas, particularly in Japan in recent years, suggests that if targets are set on a longer term basis they can be more successfully planned and achieved. Departments, agencies and the Board are given the opportunity to vary the rate of recruitment and to arrange transfers of staff so as to take maximum advantage of normal wastages and to avoid age structures in particular units which could reduce efficiency and create serious problems for the future. Such targets could be incorporated in the guidelines issued to departments for the preparation of Forward Estimates. They should differentiate between existing and newly introduced programs so that reductions relating to existing functions could be assessed. This procedure has the additional advantage that when the departmental and agency preliminary bids on the Forward Estimates are brought together the relevant committee of Cabinet will have before it reasoned judgments of the capacity of departments to meet the targets, with their assessment of the impact on existing and planned programs. It will be consistent with the responsibility of ministers to determine the political priority to be attached to these programs.

9.1.13 The Commission *recommends* that staff ceilings in their present form be abandoned and that Cabinet incorporate in their guidelines for the formulation of the Forward Estimates targets for manpower use in the years being covered. R201

Control of Expenditure on Staffing

9.1.14 In the foregoing comments on the control of numbers in Commonwealth employment, the Commission has accepted the general pattern of the present system, the essential elements of which are:

(a) external control, actual or potential, over the establishment of departments and agencies;

(b) the monitoring of standards set for classified positions.

The changes we have proposed are designed to make that system better able to meet the changing requirements of departments and agencies while maintaining its essential discipline. Such an acceptance is inevitable while administrative skills remain in relatively short supply and numbers in Commonwealth employment remain so sensitive a political issue.

9.1.15 However, the Commission is far from satisfied that the system provides the best approach, either to the control of numbers or to the achievement of administrative efficiency. In the long run, the Commission believes that the control of total financial expenditures on staffing (combined with continuing control of classification standards) and, even more importantly, control of total spending on all administrative costs associated with particular programs, would provide both more rational and more effective disciplines, while giving the maximum scope for entrepreneurial management within individual departments and agencies. Such forms of control would, at present, be impracticable because of the lack of analysis and historical record of salary and other administrative costs in relation to the total costs of various programs and activities. The Commission sees the assembling of such data as essential to the improvement of managerial

1. See: Manpower Planning, Appendix 1.D. This appendix is an extraction of two consultancy reports by Mr K. Wiltshire, Staff Ceilings and Manpower Planning.

skills, and it is recommended (see Chapter 11.3.21(j)) that the Treasury, the Public Service Board and the Auditor-General confer on the assembling of such data.

9.1.16 When this data is available it should be possible for the Public Service Board and the Treasury to undertake a joint analysis of the possibilities of substituting a financial allocation on program or activity basis, in place of the present system of prescribing amounts for salary and other administrative charges, supplementing this only by the measures recommended in this and the next section for regular checks on observance of Public Service standards and guidelines in relation to classified positions. Such a financial allocation would give managers the maximum freedom to organise both human and administrative resources in the way which would seem best to them and would give them the maximum incentive to achieve economies. The Commission believes that this approach to the control of staff and administrative costs could bring many advantages which could readily be tested after certain preliminary studies by Treasury and the Board by instituting, on an experimental basis in particular departments or agencies, a system of control by this means. Our recommendation on this matter can be found at Chapter 11.3.21(k).

9.2 THE ORGANISATION OF WORK

Classification Techniques

9.2.1 Section 7 of the Public Service Act defines 'classification' as:

> 'the arrangement of officers and positions in classes, and includes the allotment to officers and positions of salaries or limits of salary according to the value of the work.'

Classification, whether of jobs or of people, is a technique of description. The appropriate technique will be determined by the type of Service sought. In the Commonwealth Public Service classification of positions generally predominates, positions being graded within series of classes or grades, each having a prescribed salary or range of salary.

9.2.2 Guidelines to the allocation of positions in classes or grades are provided by Position Classification Standards. These comprise Group Standards and Work Level Standards: the former describe the field of work covered by the particular standard and the qualifications required for the performance of that work; the latter identify positions which are comparable in responsibility and in making similar demands on skill and experience. Finally, work is classified into specific positions, the tasks and duties of which are prescribed by a duty statement prepared within the department.

9.2.3 The classification power is vital to the co-ordination of work valuation and salary standards. The breakdown of comparability in such valuation and standards could clearly lead to competitive 'bidding up' of rewards and the loss of all salary discipline. At the same time it is difficult, and probably impossible, for an external control authority to comprehend fully the requirements for, and the full character of, every job. Given an adequate sense of responsibility the assessment of these factors could be better carried out within the department directly concerned. The problem is to reconcile the flexibility necessary to departmental managements with the existence of a reserve power to review their decisions and to ensure that essential standards are met. The Commission believes

that in practice a shift of decision towards the individual department is practicable and desirable and accordingly *recommends* that: R202

(a) the Public Service Board delegate its classification power under section 29 of the Act (or its replacement provision) to the heads of the various departments;
(b) the Board provide departments with statements of classification standards and train departmental officers in classification processes;
(c) the Board conduct regular spot checks on departmental classification after discussion with the head of the department, and reclassify positions if it believes its standards have not been preserved;
(d) the Board retain the right to withdraw its delegations if its standards are persistently breached.

9.2.4 It is important that staff and their representative organisations should understand and participate in the classification process as well as departmental managers. During the late forties and the fifties use was made of tri-partite classification committees in reviewing classification structures but the practice has fallen into disuse after the completion of reviews for the whole service, and also because of a tendency on the part of staff associations to concentrate on arbitration reviews of revised structures, and other factors.

9.2.5 Despite the changed circumstances the Commission sees merit in the work of such committees at the departmental level in particular as a means of widening both the understanding of classification principles and participation in their application in particular situations. Accordingly the Commission *recommends* that R203 the Public Service Board take up with Joint Council the question of re-establishing departmental and sub-departmental classification committees with functions as agreed from time to time by Joint Council.

9.2.6 Uniformity in the classification of positions depends upon the capacity to assess and compare the work value which can be assigned to those positions. To provide a basis for such assessment it has been the practice for duty statements to be prepared for all positions. It has been represented to the Commission that the present methods by which such statements are prepared tend:

(a) to discourage initiative and imagination by prescribing duties and responsibilities in advance and too specifically;
(b) to become coercive and difficult to change.

These tendencies become more serious as the Public Service of the 1970s develops more heterogeneous tasks and more dynamic environments. An increasing number of innovative organisational forms are appearing in the Service, ranging from semi-autonomous work groups through 'matrix' organisations to project teams operating within an otherwise hierarchical structure. In addition there are specialist groups (such as some research units) which operate in a quite flexible fashion retaining only vestiges of more traditional bureaucratic form.

9.2.7 Departments which are currently experimenting with new organisational forms, or which have adopted them from the outset, include parts of Environment, Housing and Community Development, Employment and Industrial Relations and the Bureau of Customs.[1] Some are new departments,

1. See Changing Organisations, Appendix 3.L for a discussion of these developments.

others have experienced fundamental changes in the type of work being carried out. The former Department of Housing and Construction provides an example of an organisation that has changed its methods of work in relation to existing functions with the development of project teams in the professional work areas. There has been a redistribution of authority in the area of organisation design. This redistribution stems from the fact that much of the initiative for innovations in organisational forms and methods of working has come from individual organisations, rather than from the Public Service Board.

9.2.8 The means by which work is described and delimited needs to be compatible with this growing diversity of organisational forms, the choice of which we believe should be entrusted increasingly to departmental managers. Nevertheless it is probable that the more unusual organisational forms, while becoming more widespread, will develop slowly and for limited categories of work and that the classification system will for some time remain appropriate for the greater part of Commonwealth employment.

9.2.9 Proposals to change organisational relationships must take into account the need for pay structures to reflect these relationships. The traditional correlation between pay and classification level and the need to adapt both to changes in relative responsibilities and in the skills actually being employed has been recognised, for instance, by officers in the former Bureau of Customs where experiments with new methods of working are well advanced:

> 'Teamwork offers its own challenge to the pay fixation process. The comparative value attached to management functions and responsibility has made these the most highly remunerated functions in a group, irrespective of the nature of the group or its work. This derives from the need, in a bureaucracy, to support the formal authority of the "boss" when he directs and controls staff, by providing superior status. The authority of position, however, is inappropriate under conditions of team work.'[1]

9.2.10 Where changed methods of work reduce the importance of supervision and direction, there may be resistance to changes in the relative status and salary of those involved. A danger exists that changes of structure which reduce the number or importance of traditional supervisory positions will create an expectation that the associated pattern of monetary rewards would (or should) be changed in ways which would reduce what those involved earn. The fact that methods of work are becoming less hierarchical does not mean that the work being done is worth less but rather that new skills or new combinations of skills will now need to be rewarded. New terminology will be necessary to make explicit the rationalisation for salary differentials. If this were done it should reduce the suspicion which inevitably accompanies organisational change.

9.2.11 Position classification will also need to take into account the increasing percentage of specialists employed in government administration. The Public Service Board, in Memorandum 15 to the Commission, has said that there is an increasing number of positions with less precisely defined duties and responsibilities and that the classification of such positions requires a more flexible approach which is more judgmental and less prescriptive; the inclusion in position classification standards of an increasing amount of descriptive guideline material is an indication of changes in approach.

1. Conlon and Van Oosterom, *Administrative Implications of Teamwork*, April 1975.

9.2.12 In the many areas of the Service which are becoming increasingly professional, it is no longer possible to determine duties and responsibilities accurately without knowledge about the particular person who is to fill a position. Allowance must be made for the individual qualities of the worker since these will determine his or her ultimate duties. Yet the existing position classification system is least successful where the personal capacities of the individual worker are most significant. Furthermore duty statements as currently used and conceived are inappropriate for those jobs in which there is a great deal of discretionary activity rather than a precisely defined, predictable set of duties. Current duty statements are not framed to take account of changes in the value of a position with changes either of occupant or in the capacity of particular occupants. In such cases, work statements must be framed more in terms of the skills possessed by the employee and expected to be deployed in the work.

9.2.13 The Commission supports the innovations foreshadowed by the Public Service Board and in the discussion paper on Salary Classification.[1] These involve the development of the concept of a position as primarily an authority to employ a person of a particular type and level; classification decisions based on work performed rather than estimates of work required; increasingly, a system of promotion to a level within a type of work rather than to a position with precisely defined duties.

9.2.14 We also agree with the paper on Salary Classification that despite these changes the basic principle of classification will remain one of remuneration according to the value of the work. One difference will be that in some areas the value of work will be determined increasingly by the performance of individuals. As a result of these changes classification systems will need to provide for: classifications based on performance; inclusion of specialist functions and other non-managerial work in the classification standards for the higher classification levels (as, for example, provision for specialist Engineers to class 5); and incremental advancement within the limits of prescribed salary ranges based on performance. One of the personnel policy goals which the Public Service Board sees as being assisted by the classification system is the provision of adequate rewards for increasing competence and skills.[2]

9.2.15 The primary objective must be to introduce greater flexibility into the administration of the classification system. This could be achieved by changes in the procedures by which duty statements are prepared and the significance attached to them.

9.2.16 **Duty Statements and Individual Work Plans:** A duty statement at present is of limited use as a basis for classification or as a guide and incentive to staff. It is too often merely an incomplete, or out of date record. It would be preferable to provide from time to time an Individual Work Plan containing, wherever practicable, information on objectives to be pursued and their priorities in time, and outlining activities to be undertaken in pursuit of them. The preparation (or amendment) of such an Individual Work Plan could be an occasion for consultation between the officer and his immediate superior. The sources of knowledge, skills and training relevant to the work and its significance

1. See Appendix 3.C.
2. For our recommendations concerning the reward system see Chapter 8.4. The emphasis there is in favour of flexibility.

in possible career patterns for the officer would form part of the discussion. This procedure would also provide opportunities for informing staff in some detail of the shifts in departmental priorities to reflect changing ministerial and government priorities or the adoption of new programs. In these ways the Individual Work Plan could be used to strengthen staff motivation, to enable greater participation and to add to the interest of work being done.

R204 9.2.17 The Commission *recommends* that:

(a) the Public Service Act state that the duties of any officer employed under the Act (other than by contract for services) shall be those from time to time determined and notified to the officer by the head of the department or his delegate: this would provide the officer with a formal statement on which he could rely;

(b) the Board encourage departments to provide and keep up to date Individual Work Plans which emphasise objectives and goals to be achieved in place of present duty statements;

(c) the Board assist departments by designing model Individual Work Plans for different categories of position and work;

(d) departments use this system of Individual Work Plans to stimulate staff development and improved management techniques.

9.2.18 We have refrained from making further specific recommendations on this matter for two reasons; first, we believe the need for modification and adaptation is appreciated by the Public Service Board, departments and the major staff associations. Secondly, it is our view that productive innovation will best proceed if people become committed to the need for change and the merits of diversity.

Divisional Structure

9.2.19 The present divisional structure is hierarchical; it consists of:

(a) the *first division*, including the heads of the ministerial departments; the heads of the departments of the Parliament; and, on occasions, other very senior positions, as determined by the Governor-General;

(b) the *second division*, including top administrative and management staff below the department heads, for example, deputy secretary, first assistant secretary, assistant secretary, and heads of certain 'outrider' units of departments;

(c) the *third division*, including specialist, administrative and clerical staff, entry to which is controlled by examination at the end of secondary schooling or by special qualifications in some instances;

(d) the *fourth division*, including the rest of the staff, entry to which depends on the requirements of the job ranging from no specific qualifications for laboratory work, to requirements relating to education, training or experience for other work.

9.2.20 Most of the government's workforce is in the fourth division. At June 1975, 70.5 per cent of permanent, temporary and exempt staff (including those in the PMG's Department) were in the fourth division, compared with 29 per cent in the third division and 0.5 per cent in the second division.[1] The ratio of staff

1. Source: Public Service Board Annual Report 1975.

between the third and fourth divisions has changed only marginally in the last 25 years.

9.2.21 In 1920 Commissioner McLachlan expected that this division of the service would 'secure a more desirable uniformity in classification and scales of pay, and remove claims for preferential treatment and an irritating distinction of 'caste' based only upon nomenclature'. McLachlan's concern at the time was with distinctions in status which were developing between 'professional' work and clerical or administrative work. At the same time it was thought necessary to differentiate the broad categories of work being performed and to ensure that an adequate supply of administrative potential was maintained. While some of the problems which concerned Commissioner McLachlan have been eliminated there can be little doubt that the divisional structure itself is a source of caste and status, for instance, in the relationship between the third and fourth divisions. Widespread doubts have been expressed as to the usefulness of the structure and as to whether the restraints on mobility within the Service it imposes serve any valuable purpose.

9.2.22 Criticisms of the divisional structure include the following:

(a) it has inhibited an objective assessment of the working requirements of lower third division positions;

(b) it precludes the promotion to third division positions of officers of the fourth division of proven capacity[1]; it attaches disproportionate value to formal qualifications which may be irrelevant to the work to be performed.

9.2.23 The validity of these criticisms is accepted by most departments and staff associations and by the Public Service Board which proposes the abolition of the divisions and their replacement by a series of occupational groups. The Board suggests:

> 'The occupational group would serve as a primary vehicle for determination of entry standards, recruitment processes, design and application of training and developmental programs, staff deployment, manpower planning and establishment and classification processes. Each occupational group would generally have its own pay and grading structure and its own entry qualifications.
>
> However, in some cases an occupational group would be one of a number of groups attached to a large pay and grading structure, or one of a number of groups with the same basic entry qualifications. Conversely, an occupational group could consist of a number of occupations with differing pay scales, or differing entry qualifications.'[2]

The Commission supports these proposals and we *recommend* that: R205

(a) provision for divisions be removed from the Public Service Act;

(b) the Public Service Board develop a system of categories and occupational groups along the lines proposed in its Memorandum No. 5 and in Part 6 of its Second Submission which proposes a Senior Executive Category.[3]

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1. During the period 1964 to 1974 promotion or transfer from the fourth division fluctuated between 7 per cent and 11 per cent of the annual in-take into clerical/administrative class 1 designations. At June 1974, officers (excluding PMG) who had transferred from the fourth division represented 5.4 per cent of third division permanent staff.
2. PSB Memorandum to the Commission No. 5.
3. See section 9.5 for our recommendations on the 'Senior Executive Category'.

(c) the Act should not concern itself with the structure of the Service, which the Board and departments should be free to develop and modify as necessary.

9.2.24 We realise that abolition of divisions is no guarantee against restrictive work practices and other undesirable barriers to mobility, but believe it will make them less likely. As an additional protection, we have in Chapter 8.2 recommended that entry qualifications and selection methods for positions in the various occupational groups should be re-assessed so as to eliminate prerequisites which are unnecessary for the work in question.

Allocation of Work Between Divisions and Occupational Groups

9.2.25 Disagreement concerning the allocation of work between occupational groups will not be eliminated with the abolition of divisions. The allocation of work between the divisions has been a contentious issue in recent years and has sometimes been the subject of direct industrial action by staff associations. The Commission received a number of submissions on this subject. The analysis which follows draws heavily upon these and upon work undertaken for us by Mr Brian Jones.[1] Officers in the technical grades for example are critical of work allocation between themselves and professionals. The employment of officers in tasks which fail to use their skills, and the restrictions on the upward mobility of other occupational groups, is wasteful of resources and leads to worker dissatisfaction.

9.2.26 *Technical vs Professional:* The principal representation made in this area is that professionally qualified people are still being employed on work appropriate to technical grades. Professional officers require a tertiary diploma or degree, and professional duties are defined as those actually requiring the application of the prescribed qualifications. Technical officers attain a technical certificate or equivalent standard, which enables them to perform duties to a higher technical level that those formally undertaken by technicians and comparable skilled groups.

9.2.27 A series of work reviews has been undertaken in this area and is continuing. The purpose of the reviews has been to restructure the areas of overlap between technical and professional so that high grade technical work not requiring professional qualifications can be transferred from professional to sub-professional groups. One recent report[2] described the consequent restructing as having involved:

(a) a restatement of the engineer's role to emphasise work requiring professional qualifications;
(b) employment of 'para-professionals' in operational management;
(c) the transfer of man-management responsibilities from professionals to para-professionals;
(d) the adoption by professionals of functional relationships with, rather than supervisory control over, para-professionals.

R206 The Commission *endorses* the continuation of these reviews and believes the changes proposed are in the interests of both groups. They contribute to work satisfaction and make the best use of valuable knowledge and skills.

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1. See Appendix 3.C for Mr Jones' conclusions.
2. On the Australian Telecommunication Commission; see Royal Commission discussion paper, Salary Classification, p. 17.

9.2.28 *Clerical-Administrative vs Clerical Assistant:* There are no comparable reviews being undertaken in this field of work. The 'Fourth Division Clerk' scheme initiated by the Board in the mid-1960s with a view to making better use of officers in the clerical assistant grades failed to achieve its objectives.

9.2.29 A recent Public Service Board survey of the attitudes of new recruits showed that lower grade clerks and clerical assistants more than any other group claimed to be engaged on unchallenging, menial, repetitive work which made inadequate use of experience and ability and provided poor job satisfaction. Several of the efficiency reviews conducted recently have pointed to what was considered to be the 'over-qualification' of certain staff for the work performed. In one instance, a turnover rate of 100 per cent in six months was cited. This would suggest that some re-examination of skills and incentives appropriate to the work would be worthwhile.

9.2.30 We *recommend* that: R207

(a) a review be made of the duties allotted to lower grade clerks with the aim of transferring suitable work to appropriate grades of clerical assistant;

(b) the review should have regard to

(i) the existing salary overlap between clerical assistant and lower clerical grades,

(ii) the possibility of increasing the proportion of higher grade clerical assistants,

(iii) the minimum recruitment levels to sustain the clerical/administrative structure.

9.2.31 We support the practice of consultation with staff associations in the selection of employee representatives on such review teams; it is vital that there be nominees from all occupational groups (or work areas) affected. Further, if staff associations are to participate in discussion about re-allocation of work they must have access to the findings of review teams, and staff representatives must be free to discuss the work reviews with the relevant associations. In the absence of such participation by representatives of both sides, staff confidence in reviews is eroded. Our recommendations at paragraph 9.2.5 (relating to the revival of Classification Committees) may offer an alternative framework for these processes. R208

9.3 CATEGORIES OF EMPLOYMENT

Existing Categories of Employment

9.3.1 In Chapter 8.1 reference was made to a distinction which exists under the Public Service Act between permanent staff (officers) and other staff. The distinction is an important one in the staffing arrangements of a number of Commonwealth departments and authorities. The Public Service Act provides for three sources of authority for the engagement of staff other than members of the first division. First, the Public Service Board, under section 33 of the Public Service Act, can appoint to the second, third and fourth divisions, 'officers' whose conditions are as prescribed in the Act. Secondly, section 82 of the Act provides that temporary employees may be engaged by the Chief Officer of a department on the selection or authorisation of the Public Service Board or its delegates and on such conditions of employment as the latter determines. Finally, section 8A of the Act confers a power on the Governor-General to declare specified provisions

of the Act inapplicable to certain employees. This power has been construed to allow engagement of a category of 'exempt employees'. The exemption provision has been most often used to permit departments to recruit specified categories of employees direct, without any reference to the Board, and without being bound by the normal temporary employment procedures under section 82 of the Act.

9.3.2 While the differences have been narrowed considerably in recent years, a key difference remaining between the above categories is that only (permanent) officers have continuing tenure to the prescribed retiring age once their appointments have been confirmed[1].

9.3.3 Two further categories of employment are relevant. The first is the engagement of contractors for services, under general powers to contract. The authority to engage such contractors at present resides ultimately with the minister administering the particular department. The second relates to the appointment of officers of the Executive government by the Governor-General under section 67 of the Constitution. This power is the basis of appointment of heads of overseas missions, royal commissions and other such offices.

The Need for Change

9.3.4 The Public Service Board has acknowledged the need for some changes in the existing concepts of 'permanent' and 'temporary' employment and in its Second Submission to the Commission, it outlined some possible new arrangements. The Board wishes to avoid the perpetuation of classes of worker, and seeks to develop an emphasis rather on broad classes of work. People could thus be assisted to progress according to their ability, and would not be unduly restricted by categorisation. The Commission welcomes this change of attitude. Our concern to see this principle apply generally has been at the root of many of our recommendations on staffing policy and practice.

9.3.5 *A new criterion—'anticipated duration of the work':* While the widespread use of temporary staffing arrangements has permitted departments to move with speed and flexibility in the recruitment of staff to meet their immediate requirements for certain staff (generally, base-level), the use of these procedures, where the work is, or may become, of a long-term nature, creates problems for staff and management. For this reason, and in pursuit of the objective mentioned in the preceding paragraph, the Board has proposed that the test of whether staff have tenure should be whether the work in question is of a continuing nature or is for a definite period. The Commission endorses the Board's proposal for the gradual elimination of the distinction between officers and temporary employees and its replacement by categories distinguishable by tests of the duration of the work to which the engagement relates, and we *recommend* accordingly.

R209

9.3.6 *Part-time work:* Part-time staff, a category not specifically provided for in the Act, are currently classified as temporary employees. As such they are subject to the distinctive general terms and conditions attaching to that status and are not part of the career structure. There are however some terms of employment which are unique to this category, for example, staff working less than 24 hours per week

1. For a discussion of proposed amendments to the terms of compulsory removal see Chapter 8.4.91–104. The Public Service Board (Background Volume for the Royal Commission, No. 8, Chapter 5) lists a number of other arrangements for the engagement of particular types of staff. See also Chapter 8.1.6.

receive a 15 per cent pay loading in lieu of entitlements to recreation leave, sick leave etc.

9.3.7 It is our view that the distinction based on anticipated duration of work should also apply to part-time staff, so as to express the situation from the point of view of matching staff to the nature of the work. There will be some jobs which are best done in less than the standard working week or standard working day. Submissions have been put to us arguing that there is scope for the establishment of part-time positions in a number of work categories, specifically: R210

(a) for work which is routine, 'administrative-support' in character, including typing, accounting, machining, telex- and data-processing;
(b) to meet peak workloads which are sufficiently regular and predictable to be met by using part-time employees;
(c) for project work on which people with specialist skills may be employed to work in their homes.

9.3.8 The Commission is aware that there are many sensitive and unresolved issues concerning the status of part-time staff. The Board has recently released a discussion paper on Part-Time Employment, and it is to be hoped that this will stimulate the extension of part-time employment opportunities in those areas where it is practicable.

9.3.9 *Some problems of implementation:* We *recommend* that, with the clarification in the Act of the status of staff engaged, there should also be a concerted effort by the Public Service Board, in consultation with relevant staff organisations, to eliminate unnecessary differentiation between terms and conditions of employment for staff recruited for different durations. We leave it to the Board, which has acknowledged the need for reform, to develop detailed recommendations, taking into account the difficulties to which they have alluded in their Second Submission to the Commission. R211

9.3.10 Any change in basic employment arrangements will have repercussions for management. The extension of certain rights and financial benefits to staff previously denied them creates costs for the employer. Staff may also resent the increased competition for promotion which comes with changed status for some employees. A specific source of resentment, which is reflected in union policies, is the integration of part-time staff into the career structure. Such problems nearly always arise in attempting to alleviate the effects of past discrimination against certain groups of employees.

9.3.11 The Commission is conscious of the problems of implementation, but we strongly *recommend* that machinery to permit the processes of negotiation leading to the development of a workable scheme be established at an early date. R212

9.4 TOWARDS A UNIFIED SERVICE

Introduction

9.4.1 In the early years of Federation, the vast majority of the Commonwealth workforce was employed under the Public Service Act, and the career public servant had the right of mobility throughout that workforce on the basis of his merits. Today, only about one-third of this workforce is employed under the Public Service Act, and the number of independent employing authorities has increased greatly.

9.4.2 The greatly increased size and diversity of government employment is one of several factors which, in practice, have mitigated the notional force of the unified service concept. Other factors include:

(a) a tendency for even the departmental service to contain discrete employment 'fields' or careers; for example, Tax, Customs, Prime Minister and Cabinet, Foreign Affairs[1];

(b) the fact that approximately one-quarter of staff employed under the Public Service Act are in the temporary and exempt categories[2] and, while technically within the unified service, are excluded from the application of ostensible benefits of inclusion, for example, access to appeal procedures and career mobility;

(c) the fact that within departments, the opportunities for mobility inherent in the unified service concept are restricted by the divisional structure of the administrative hierarchy[3];

(d) a decreasing rate of interchange of staff between departments (after allowance is made for the movements resulting from changes in the Administrative Arrangements).

9.4.3 The first Public Service Act of 1902 was not designed to create a 'unified service' in the true sense of that term. Rather, the Act encouraged the establishment of a service which was divided by clear departmental boundaries. For instance, the then Minister for Home Affairs, in his Second Reading Speech, expressed the following intention of the Act:

> 'I have tried to keep each department by itself; that is unless under very exceptional circumstances, we provide that Government shall not go all over the service, and take a man out of one particular department to put him over the heads of officers in another department, who are looking forward to being able to climb up to the higher positions for which they have qualified. I have seen the ill effect of the alternative practice in other States. Of course, there is power for the Governor-General in Council to make transfers from other departments in exceptional cases, but these transfers must be on the recommendations of the commissioner and the permanent head.'[4]

9.4.4 Although this separation (a result perhaps of concern for the sensitivities of staff transferred from State departments to a new federal system) is no longer evident in interpretations of the Public Service Act, the concept of a unified service has never been widely reflected in practice. Nor has the Officers' Rights Declaration Act been effective in securing any significant measure of mobility between the Public Service and statutory authorities. It is doubtful whether changes to that legislation currently under consideration will promote any significantly greater mobility, although the changes may be valuable for the purposes for which they were intended.

9.4.5 The Commission does not underestimate the complexity or difficulty of the issues involved in greater unification of agencies of government for any purpose. However, some measure of unification has already been achieved through such measures as the Commonwealth Employees' Furlough Act, the Maternity Leave (Australian Government Employees) Act, the Compensation

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1. See Appendix 3.A, Paper 8.
2. See Chapter 8.1, Table 2 and Section 9.3 above.
3. See Section 9.2 above.
4. House of Representatives Debates, Vol. 1 1901 p. 1086.

(Australian Government Employees) Act as well as arbitral determinations which have general application throughout the Public Service and relevant statutory bodies[1]. We see clear value in the extension of uniformity of this kind. We also see benefit in the avoidance of duplication in the determination of certain conditions of employment.

9.4.6 Because of the benefits which clearly can be derived from the removal of unnecessary differences and duplication between Commonwealth government employment agencies, the Commission endorses in principle (although with some reservation on the need for separate legislation as in (5) below) the Public Service Board proposal outlined in Part 8 of its Second Submission and more particularly paragraph 8.11:

> '(1) The Australian Government employment area could be regarded as a 'loose entity' for employment purposes.
>
> (2) All major legislated conditions of employment (superannuation, furlough, compensation (if a separate scheme is to remain), maternity leave, recreation leave, leave loading, etc.) could be brought together into one Act and apply throughout the Administration, unless otherwise prescribed (for example, special superannuation arrangements for T.A.A. pilots might continue to be necessary). Provision would need to be made for determinations on the details of these major conditions—only the broad provisions and essentials should be incorporated in the legislation—and determinations on other conditions of employment; these could include both general determinations, and specific determinations for particular areas of the Administration, groups, etc.
>
> (3) One Act—possibly the same Act as embodies the conditions of employment or a separate 'Administration' Act—could specify the broad principles that should apply to staffing of the whole Administration, for example, open competition and merit principle for promotion, termination only for cause and by due process after a form of probation, requirements as to conduct (including disciplinary appeals), etc., leaving to subordinate legislation or determinations the detail to be applied in particular situations. These provisions could be framed to apply unless otherwise prescribed (for example, special provisions would be required for Ministerial staff).
>
> (4) That Act could also provide for mobility within the Administration, subject to meeting qualification requirements for the particular position concerned and selection on merit in accordance with approved procedures. A person moving from one part of the administration to another would remain part of the general 'entity', but would be subject to the conditions of his current employer, who, if he became surplus, would make efforts in co-operation with other agencies to place him elsewhere in the administration—but if this could not be done then the normal redundancy arrangements would apply. Special provisions would need to be devised so that 'compulsory' transfers of staff groups could be made within the system, and so that transfers from other systems (for example State services) could be dealt with satisfactorily.
>
> (5) Separate Acts would establish particular institutions or employing agencies and these Acts would invoke the general provisions of the basic 'Administration' Act, except to the extent that departures from the normal principles were deemed appropriate. Departures from the general principles would thus be readily apparent and would be subject to Parliamentary consideration in the course of debate on the relevant enabling legislation.'

1. As, for example, Determination No. 32 of 1956, *Commonwealth Public Service Arbitration Reports*, Vol. 36 (1956), p. 271ff.

9.4.7 There are many aspects of this proposal which will need detailed development and consultation with interested parties, before they are ready for implementation. For instance there is no intention that the new provisions should take away the legislatively conferred independence of statutory bodies. Rather, they would provide one way by which statutory bodies could give their staff access to the Public Service itself, and *vice versa,* without all the complications attendant upon the Officers' Rights Declaration Act. Insofar as statutory bodies are concerned, we would expect the larger and more independent of these, and particularly universities and the commercial undertakings, to continue much as at present, but with the opportunity to confer on their staffs the benefits of the new Commonwealth employment provisions. It is clear that staff organisations, although generally in favour of greater mobility, and drawing attention to the inadequacy of staffing provisions in some statutory bodies, would also need to be brought into consultation to ensure adequate protection of the rights and opportunities of their members when the new arrangements are being settled. Our recommendations on these matters can be found in Chapter 11.6, on the role of the Public Service Board.

9.4.8 The Commission stresses the need to preserve the relative flexibility which a number of agencies enjoy in management matters. However we believe that such flexibility is compatible with the legislative framework we have outlined in this Report which, if adopted, will facilitate greater mobility between different agencies of government. The Commission would envisage the development of the Public Service Board mainly as a resource agency for Commonwealth government employment generally rather than a control agency. It would undertake the development of such aids as management information systems, recruitment services, training courses and so on. We discuss this further in Chapter 11.6. There are many areas of Commonwealth administration which either are, or which it has been put to us should be, staffed outside the Public Service Act. The largest such area embraces certain statutory bodies, but we also consider below the staffing of ministerial offices and the parliamentary departments, staff for members of parliament and for the federal courts and the foreign service.[1]

Staffing Statutory Bodies

9.4.9 In Chapter 8.1 we outlined three main types of arrangement for staffing statutory authorities:

(a) staffing under the Public Service Act;
(b) staffing outside the Public Service Act, but subject to a requirement that the Public Service Board approve terms and conditions of employment;
(c) staffing outside the Public Service Act.

Where it has been expressly provided that the staff of the body is to be employed under the Public Service Act, the chairman or chief officer of the body has in a number of cases been given head of department powers under the Act, allowing him direct access to the Public Service Board. Other forms of control apply to some of the bodies employing outside the Public Service Act. Some have to obtain the relevant minister's approval to terms and conditions, for example, the Law Reform Commission; others need ministerial approval for the determination of salaries above a specified amount, for example, the Australian Broadcasting Commission, the Australian National Airlines Commission and the Com-

1. In Chapter 11.4 we discuss staffing provisions for the Auditor-General's Office.

monwealth Banking Corporation; and in other cases ministers have power to control the numbers employed, for example, the Australian Institute of Aboriginal Studies and the Commonwealth Police Force. In yet others the Public Service Board has power to impose ceilings on the numbers appointed to administrative/clerical positions, as in the Australian Atomic Energy Commission and CSIRO.

9.4.10 The statutory provisions concerning the staffing of statutory authorities appear to be untidy and reveal no consistent principle as to when it is appropriate for staff to be employed under the Public Service Act and when not. In 1973, the then Prime Minister authorised the Public Service Board to undertake a full examination of the matter, and informed the Commission that as a general principle the staffing of statutory authorities should be under the Public Service Act, and that even where an authority is given the power to determine its own staffing establishment, terms and conditions of employment should generally be subject to Public Service Board approval.

9.4.11 The main consideration which appears to have influenced decisions to allow for separate staffing, outside the Public Service Act, has been a judgment that employment under that Act would not be suitable to engage staff needed for the fulfilment of the organisation's objectives. Specific features of employment under the Act which have been mentioned as rendering it unsuitable as a framework for staffing are:

(a) the organisation of public servants into divisions, membership of which is determined largely by possession of prescribed educational qualifications;
(b) classification by position not by person;
(c) security of tenure accorded to those engaged for indefinite terms;
(d) centralisation of the power to determine qualifications of recruitment, of control over establishments and organisational structure;
(e) uniformity of regulation of the rights, duties and entitlements of employees;
(f) the possibility of disruption of an agency through promotion or transfer away from the agency of key staff.

9.4.12 It has been suggested that an employment regime with characteristics such as these is not well adapted to the needs of some statutory corporations. Such bodies are often engaged in trade and commerce in competition with private enterprise, and need to be able to make decisions on employment matters quickly, without awaiting approval from an external authority. They need, it is said, to act with the same freedom as private entrepreneurs. Facility to compete for labour with other employers of the same occupational groups and to offer comparable terms and conditions of employment has also been a factor, though by no means the sole factor, in decisions to establish separate services or separate staffing for teachers, police and academics.

9.4.13 With the greater measure of autonomy available for departmental and agency managers consequent upon adoption of our recommendations in sections 9.1–3 and 9.4.5–8, a number of the objections to Public Service Act staffing should be removed. We note here that our recommendations represent in effect a continuation of a trend which has been evident over the years. In the past, there have been statutory transfers of staff to Public Service Act employment, for

example, the Federal Capital Commission (1930), the Repatriation Commission (1947), staff engaged by the CSIRO in aeronautical research (1948) and the London High Commissioner's staff (1973). In 1975 the Public Service Act was amended to allow absorption into the service of declared categories of staff employed outside the Act, without the necessity of special legislation for each proposed transfer. We support this move.

R214 9.4.14 Taking all these matters into account, we *recommend* that there should be a presumption in favour of staffing statutory bodies under a Public Service Act which conforms to the model we have outlined and is compatible with a selective application of particular sections to particular bodies according to circumstances. When the decision is taken to introduce legislation to bring a new body into being, the onus should be on its promoters to show why staffing should be outside the Act, or to nominate the matters under the Act in relation to which the new body should have autonomy. Before legislative proposals for separate staffing are approved, the Public Service Board should be consulted and its advice should be communicated to the responsible minister.

9.4.15 The principal advantages which the Commission sees as flowing from employment under a renovated Public Service Act are as follows:

(a) increased career opportunities for staff;
(b) a larger pool of manpower from which departments and statutory authorities may draw;
(c) a greater facility on the part of government to reallocate manpower in the public sector in order to give effect to changes in priorities and in the direction of policies;
(d) greater ease in implementation and scope for application of manpower budgeting (see Chapter 3 The Efficient Use of Resources);
(e) less need to deploy resources in the development of codes of employment for individual agencies although separate arrangements for a number of authorities would of course be maintained;
(f) less time and effort spent in seeking and making determinations varying terms and conditions of employment;
(g) wider application of a basic code of fair employment practices;
(h) less need for reliance on the Officers' Rights Declaration Act to preserve rights of public servants who transfer to statutory authorities;
(i) wider application of the concept of open competition on merit.

9.4.16 In the course of implementing the changes we have proposed to the Public Service Act, the Public Service Board should develop a program of negotiations with statutory bodies whose staffing arrangements are at present outside the Act, to secure a joint understanding with each authority as to the appropriate relationship to be adopted under the revised statute. It is not contemplated that the initiative for opening negotiations of this kind should rest only with the Public Service Board. Statutory bodies should be encouraged to approach the Board on such matters. If, in any negotiation, it does not prove possible for the two parties to reach mutual agreement, then, on the initiative of either, the issue should be referred for decision to the government. It would be expected that over time arrangements for a number of basic conditions of service would become uniform throughout Australian government employment. This would apply to provisions for furlough and various forms of leave, super-

annuation and compensation as well as the matters which in this Report we have seen as appropriately coming under common personnel policy: equality in employment (Chapter 8.3); merit recruitment (Chapter 8.2); rights and obligations of staff (Chapter 8.5); processes of personnel policy and staff grievance review (Chapter 8.5). Whether the Board would also be involved in matters of more particular detail would be one of the aspects to be negotiated.

9.4.17 We do not have available to us sufficient detailed information to allow firm recommendations to be made about the arrangements to apply to particular bodies, or even to groups of bodies. However it is possible to make some observations about staffing arrangements for the main functional categories—commercial undertakings, marketing boards, and academic and research institutions. Detailed arrangements would need to be left to the negotiation process we have recommended in paragraph 9.4.16.

9.4.18 In relation to *commercial undertakings*, we recognise the importance of enabling the corporations to deal with employment matters speedily and free from constraints which do not apply to their competitors. However, we are not persuaded that managerial autonomy would be seriously compromised if the corporation were to be subject to some of the broad provisions we recommend in this and the preceding chapter for application to the whole range of Commonwealth employment. We see a good case also for co-ordinating machinery of the kind we discuss at paragraph 9.6.53 to ensure some general consistency in the approach by the Commonwealth as an employer to important industrial issues. In relation to *marketing authorities*, it has been suggested that the fact that they derive their funds from levies on producers means that they should employ their own staff. We do not find this a convincing reason for separate staffing arrangements and *recommend* that these bodies be given the advantages of joining the Commonwealth employment group by bringing them under the new Public Service legislation. It would be appropriate to confer chief officer status on the head of the agency. In relation to *academic and research institutions* we consider Australian tradition and practice warrant a high degree of autonomy in staffing and related matters.[1] R215

9.4.19 In a number of instances the power given to the statutory body to engage staff on terms and conditions determined by it has been qualified by the requirement that the terms and conditions should be approved by a minister. This has the practical effect of putting the minister's department in the role of the Public Service Board and giving the department greater authority than it possesses in relation to departmental officers. Departments in this situation are, of course, at liberty to seek advice from the Board before advising the minister, but they are not under a duty to do so. In general we see little merit, and positive disadvantages, in the substitution of ministers and thereby departments for the Board as the body whose approval of terms and conditions is required. We *recommend* that the practice of conferring power on a minister to determine terms and conditions for staff of statutory bodies be avoided, and that existing provisions to this effect be repealed and the jurisdiction of the Public Service Board substituted. R216

9.4.20 Two further objections were made by statutory bodies to the employment of staff under the Public Service Act. The first was that a body set up

1. See also Chapter 10.2, Science and Government.

to give advice to a minister could not operate effectively if its staff were appointed in this way. This was a point put by the Commonwealth Bureau of Roads. The second was that in the case of bodies such as the office of the proposed Ombudsman, public confidence might be more difficult to maintain if staff were drawn exclusively from the Public Service. On the first point, we note that many commissions, for example, the Grants Commission, the Industries Assistance Commission and the Schools Commission, are staffed under the Public Service Act and have shown no notable lack of capacity to give independent advice to the minister. In relation to the second point, we envisage that bodies such as the proposed Ombudsman would have authority to recruit staff outside the Public Service—a power which will be available under the proposed new legislation. We doubt whether employment on terms and conditions available throughout Commonwealth employment generally would reduce the effectiveness of the body. Free mobility into and out of other areas of Commonwealth employment may well enhance the capacity of quasi-judicial and investigative bodies. However, should there be any suggestion of impairment to the effective autonomy of such offices we would expect that action should be taken promptly by the Parliament to secure protection against its continuance.

9.4.21 Finally, we note that the system of salary determination introduced by the Remuneration Tribunals Act sits ill with the inconsistently applied system operating under previous legislation by which the determination of higher salaries rests with individual ministers. The Remuneration Tribunal at present is an effective instrument of co-ordination, and in the Commission's view its jurisdiction should be enlarged to encompass and succeed the jurisdiction at present reposed in ministers to approve or disapprove payment of salaries to officers and employees of statutory authorities above a prescribed level. However, the jurisdiction of the Tribunal should be limited to the higher level salaries and, consistent with our earlier recommendation about ministerial determination
R217 (paragraph 9.4.19), we *recommend* that salaries not of a level appropriate for determination by the Tribunal be determined by the appropriate body, that is the Public Service Board or the statutory body itself, where it has staffing powers.
R218 We further *recommend* that the legislation provide that determinations of the Remuneration Tribunal come into immediate effect: there should be no need for supplementary legislative action.

Ministerial Staff

9.4.22 It follows from our discussion of the role of ministerial staff in Chapter 4.6 that appointments to ministerial staff should be made by ministers. Many ministers adopt the practice of asking their departments to provide a list of suggested people for positions they wish to fill, and many ministerial staff are drawn from departments. Each minister must be able to make his own responsible choices in the matter of staff. For some positions, a minister would be well advised to consult with his department and to take into consideration the advantages of drawing upon staff with knowledge of and insight into departmental operations and the fact that a term in a ministerial office is valuable experience and training for staff. Appointment of public servants and of 'outsiders' should of course be subject to any arrangements or procedures decided
R219 by the government. In this connection we *suggest* that the procedures might well require that a selection committee appointed by the Prime Minister should offer

advice to each minister concerning the candidates (including any suggested by the minister himself) for more senior positions.

9.4.23 Under section 48A of the Public Service Act, officers seconded for duty as private secretaries to Ministers have a right to be restored to the service on termination of their employment in the minister's office. There is no such provision covering other staff employed in ministers' offices. In the new arrangements we are proposing for a unified service, it will continue to be possible to serve in a ministerial office and be reinstated on termination. Staff who have joined a ministerial office from outside the Service are presently employed on conditions laid down under the exempt employee provisions of the Public Service Act (section 8A). Ministerial staff perform a special role and should in our view be subject to clearly stated terms and conditions of employment, which in some respects should be different from those of the general Public Service. As indicated in paragraph 9.4.35, there is some similarity between ministerial staff and the staff of members of Parliament.

9.4.24 The new legislation we have recommended to cover Commonwealth employment generally (see paragraph 9.4.6) will make provision for the application to special areas of employment of particular terms and conditions. We *recommend* that ministerial offices be considered such areas of employment, and that accordingly special arrangements be developed for the employment of ministerial staff. Essential features should be along the following lines: R220

(a) the size and structure of ministerial staff establishments and terms and conditions of employment, including contractual entitlements on termination should be determined by the Prime Minister after consultation with the Public Service Board;

(b) the classification structure should be common to all ministerial offices and should be determined by the Prime Minister after consultation with the Public Service Board;

(c) the power to engage and dismiss ministerial staff should be vested in individual ministers—subject to any procedure advised to ministers by the Prime Minister;

(d) public servants seconded to serve as ministerial staff should have the same entitlements as any other officer to whom the Officers' Rights Declaration Act applies, but those joining ministerial offices from outside should comply with normal requirements for entering the Public Service should they wish to do so.

Staffing the Parliamentary Departments

9.4.25 The Public Service Act of 1902 provided that appointments, promotions and other matters relating to the departments of the Parliament were to be determined on the nomination or recommendation of the Presiding Officer(s). The Senate made amendments to the Bill to put beyond doubt that all staff servicing the Parliament should be under the control of the Parliament and not of the Public Service Board.

9.4.26 In the Report of the Royal Commission on Public Service Administration, published in 1920, Commissioner McLachlan recommended that:

> 'Officers of the Parliament should be brought into the general system of administration of the Public Service as regards classification, fixing of salaries,

determination of appeals other than in relation to punishments, the internal administration being left to the Heads of Departments of Parliament.'[1]

9.4.27 This recommendation was not fully accepted, and in debate in the Senate on the Public Service Bill of 1921 the point was made that control of parliamentary staff by the Public Service Commissioner rather than by the Parliament would be abrogating the rights of the Parliament. However, it was also argued that the rights of officers serving the Parliament should be protected and that the careers of parliamentary staff should not be affected by political patronage. Therefore it was argued that classifications and salaries of officers of the Parliament should be examined by the Public Service Commissioner.

9.4.28 Section 9 of the Public Service Act specifies the conditions and special provisions relating to staff of the parliamentary departments. In brief:

(a) all appointments and promotions of officers of the parliamentary departments are made by the Governor-General on the recommendation of the Presiding Officer(s);

(b) where reference is made in the Act to the Board, the Presiding Officer(s) are substituted for the Board, if this is not inconsistent with the context, and references to 'the Minister' are read as reference to the Presiding Officer(s);

(c) classification of officers and offices is made by the Presiding Officer(s), but if the Presiding Officer(s) so request the Board does the classifying. (As a long standing practice the Presiding Officers have in most cases sought the advice of the Board before classifying an office. The Board is also often consulted on a range of other matters affecting the parliamentary staff, for example, organisation, pay, employment conditions and industrial matters.)

In addition, the Governor-General may, on the recommendation of the Presiding Officer(s), make regulations on all matters on which the Board may do so, but a regulation made by the Board applies unless and until:

(a) it is inconsistent with, or dealt with in a regulation relating to parliamentary officers; or

(b) the Governor-General, on the recommendation of the Presiding Officer(s), declares that it shall not apply.

9.4.29 The present arrangements create the situation where, although parliamentary staff are employed under the Public Service Act, certain fundamental provisions of the Act do not relate to them, and certain features of the 'career service' proper do not therefore apply to them. For example:

(a) appointments are not made by the independent central personnel authority (the Board) after competitive processes controlled by that authority;

(b) the appeal provisions of section 50 of the Public Service Act do not apply to promotions in the parliamentary departments;

(c) certain special disciplinary provisions exist;

(d) the application of provisions such as section 17 of the Public Service Act and the annual report provision (section 22) is unclear.

9.4.30 The effect of the present arrangements is to recognise that there is a distinction between those serving the institution of Parliament and those serving

1. McLachlan Report, p. 45.

the executive government. The Public Service Board has suggested to the Commission (in Memorandum No. 12) that the separateness of the parliamentary staff might be recognised more clearly by the establishment under legislation of a separate Parliamentary Service. On the other hand, it has been put to the Commission that the small size of the parliamentary departments and their insulation from some of the provisions of the departmental Public Service, for example, the promotions appeal system, have the effect of reducing career opportunities for the staff, and of depriving them of rights which they might reasonably expect to enjoy as servants of the Commonwealth.

9.4.31 The Commission believes that there are clear advantages to departments and to staff in both services in ensuring ease of movement between these two areas of Commonwealth employment. The Commission is of the opinion that the distinction between parliamentary departments and executive departments does not need to be emphasised by separate Acts related to terms and conditions of employment in the way suggested by the Board. Nor does it follow that the independence of Parliament in the staffing matters of its departments would be impaired by common legislation. The managers of the parliamentary departments could avail themselves of provisions applying elsewhere in Commonwealth employment while at the same time retaining a proper degree of independence to meet their particular needs.

9.4.32 It was partly with the problems of staffing the parliamentary departments in mind that the Commission has developed proposals (see paragraphs 9.4.5–8) for the enactment of common legislation to cover Commonwealth employment generally. The concept of this legislation is that it will enable the relevant management groups to draw on the main streams of legislated conditions of service, for example, for leave, superannuation and compensation, while leaving each group to develop its own distinctive patterns of service. One advantage of these provisions is that they would simplify and encourage the movement of staff within the total field of Commonwealth employment and might therefore benefit the parliamentary departments, by offering them the capacity to engage staff for relatively short periods if this is thought to be desirable in some areas of their activities.

9.4.33 The Commission has in mind that Parliament might consider the appropriateness of taking advantage of the provisions we have proposed so that the two Houses could apply the main features of Commonwealth employment to the parliamentary service, while reserving, for special determination by the designated authority within the Parliament power to develop particular features for the Parliamentary Service. One feature of the new legislation would be to provide that Parliament (and its officers) would have access to the Public Service Board for advice wherever that was considered desirable or necessary by the Presiding Officer. R221

Staff for Members of Parliament

9.4.34 All members of Parliament are entitled to have the services of an electorate secretary, except that the members of the House of Representatives for the Northern Territory and for Kalgoorlie are entitled to two. Additional personal staff are allowed to Opposition leaders[1] and since 1975 each Senator and

1. At present, 34 staff members have been provided for office holders in the Opposition.

member has been permitted to engage additional staff for his electoral office within a given financial limit. In addition members may draw in emergencies upon a relief pool of secretary/typists provided within the Department of Administrative Services.

9.4.35 Persons engaged specially for members of Parliament are exempt staff within the meaning of section 8A of the Public Service Act. There is no separate legislative provision for their appointment or terms of service—section 48A of the Act refers only to ministerial private secretaries. Personal staff of members of Parliament are engaged directly by members and have no security of tenure. The Commission inclines to the view that staff for members of Parliament might be associated either with arrangements for the Parliamentary Service (see paragraph 9.4.33 above) or for ministerial staff (see paragraph 9.4.24 above). In either case, the Public Service Board would have an advisory role. Appointment to the staff of members would either be by contract (for those outside the Public Service) or on transfer from the departmental service (in the case of Public Service officers).

Staffing the Courts

9.4.36 The terms of reference of the Royal Commission do not expressly direct it to inquire into and report on the relationship between the federal courts and the administration. Nevertheless, there is one aspect of this relationship which we consider merits attention and comment. That is the functions and responsibilities of departments of state and other instrumentalities of the executive government in providing administrative services and staff for the courts. At the present time neither the High Court of Australia nor any other court established by law of the Commonwealth possesses any real or formal autonomy in relation to the administrative services required for the discharge of its judicial functions. The question is whether this state of affairs is compatible with the independence and autonomy which the Constitution guarantees to the courts.

9.4.37 In some respects the administrative services and resources required for the operation of the courts are no different in kind from those required for other agencies of government, but there are features of court administration which make it a distinctive area of public administration. The main differentiating characteristic of court administration is that it is controlled by procedures that are very largely of judicial making, and the members of the courts are, in a sense, the principal administrators. Procedures for the conduct of litigation are laid down, in the broad, by Acts of Parliament and by Ordinances, but much of the detail is regulated by Rules of Court made by the courts themselves. While the making of Rules of Courts is, strictly speaking, a legislative function it has been accepted as a legitimate use of judicial power and a function which does not offend against the separation of powers. It is moreover, a function which many judges regard as more properly theirs than that of any part of the executive branch and as being essential to the discharge of their constitutional responsibilities.

9.4.38 Although the judges are responsible for the conduct of the business of their courts, their authority to command the resources required for the carrying out of their responsibilities is somewhat limited. To a very large extent they depend for their ancillary administrative services on the Attorney-General's Department. The non-judicial staff of the courts are technically part of the establishment of that Department. The annual estimates for the courts appear in the Department's estimates and their appropriations as part of the Department's

votes. Communications between the courts and the Attorney-General are through the Secretary to the Department, who is also the head of their administrative staff. Management services are shared with the Department.

9.4.39 Overall the courts enjoy considerably less autonomy in staffing matters than many statutory authorities associated with the executive branch of government. For the purposes of the Public Service Act none has departmental status, and no officer of court nor any judge has permanent head powers, as, for example, has the Auditor-General. Their powers are very much more limited than the Presiding Officers of the Parliament (see paragraph 9.4.28 above) who generally speaking exercise the powers and responsibilities which ordinarily are exercised by the Public Service Board.

9.4.40 It is, we believe, anomalous that the independence and autonomy of the judicial branch of government should not be recognised equally with those of the legislature. For reasons which have been stated earlier we do not regard the present arrangements for the staffing of the parliamentary departments as altogether satisfactory. The arrangements we mentioned as an alternative for service in the parliamentary departments might be used as a model for the staffing of the courts. What is important is a degree of managerial autonomy for the Court Service.

9.4.41 The Commission is conscious that the way in which a court is administered may be of crucial importance to the individual citizen who has dealings with it. For this reason it is seen by some as important to ensure that any review of administrative arrangements for the courts provides an opportunity for and has regard to the expression of community interests related to the subject.

9.4.42 The Commission does not feel in a position to make any firm recommendations on this question. Appendix 3.G sets out a proposal for a reorganisation of arrangements for the provision of administrative services for the High Court of Australia, the federal courts and the courts of the Commonwealth territories. We *recommend* that this proposal be referred to the judiciary and the Attorney-General's Department for their consideration. R222

The Foreign Service

9.4.43 Included in the terms of reference for the Commission is a requirement that it report upon the determination of conditions of service for persons serving overseas.[1] A question which needs to be resolved before proposals can be made about these matters is whether there is to be a separate foreign service, or whether it is to be organised as part of the Commonwealth Public Service.

9.4.44 *A separate foreign service*: The Department of Foreign Affairs proposed in its submission that although those serving in Canberra should not be separated from the rest of the Public Service, greater autonomy in the administration of its overseas positions should be given by the passage of a special Act.[2] After careful deliberation and widespread consultation, having in mind the recommendations

1. To assist it in reaching conclusions on the issues involved, the Commission asked Mr Justice Sharp, of the Conciliation and Arbitration Commission, to prepare for us a report on 'Overseas Service'. The main parts of his report are reproduced in Appendix 3.K along with our comments on some of the proposals not discussed above. Our discussion of the formation and execution of Foreign Policy can be found at Chapter 10.4.
2. Submission No. 214, paragraphs 154ff.

contained in the report of Dr Sharp and taking into account also proposals for a greater sharing of responsibilities between the major central co-ordinating agencies and departments (Chapter 3 and 11), the Commission has concluded that government administration overseas should continue to be an extension of the Commonwealth Public Service.

9.4.45 Consistent with the role and functions we outline in Chapter 10.4 for the
R223 Department, the Commission considers that development in staffing matters should be in the other direction—towards greater integration of the work and staffing of Foreign Affairs with those of other departments. For similar reasons,
R224 the Commission *recommends* that the Trade Commissioner Act be repealed. In this context, it notes the view of Dr Sharp, and of the Public Service Board, that the existence of the Act is not necessary to ensure continuance of the Trade Commissioner Service. With the added flexibility for the engagement and use of staff proposed elsewhere in the report, the legislative provisions may in future represent an impediment to, rather than an enhancement of, flexible administration of the service.

9.4.46 We indicate in Chapter 10.4 that in addition to its diplomatic functions the Department of Foreign Affairs discharges important administrative tasks. There has been a tendency within the Department to separate the 'diplomatic' from the 'consular and administrative' staff, we believe to the detriment of both. Policy and administration are in many areas closely linked and, while we do not necessarily suggest that there should be the one intake for both streams, we agree with the Foreign Affairs Association that it may be questioned whether the emphasis on the development of generalists adequately meets the contemporary needs of Australia's foreign relations and the consequent management demands on the department.[1] The Association also expressed the view that:

> 'officers should be confident that their placement in a particular stream will not prejudice their overall career prospects; neither the officer nor the Department should be unbreakably tied to a streaming decision once taken.'

R225 The Commission *recommends* that continuing attention be given to ensuring adequate mobility within the Department. Among other things, this may achieve an improved mix of managerial and diplomatic capacities.

9.4.47 *Staff exchanges:* Elsewhere in this Report (Chapter 11.6) the Commission has made recommendations to promote greater and more deliberate movement of officers than those which result from promotion across departments. Service in Foreign Affairs, particularly in its diplomatic (or policy) stream, has shown a stronger tendency to confinement of career to the one department than is the case with any other except the former Postmaster-General's Department. This is in part a result of the development by Foreign Affairs of its own system of recruiting and training; and in part, of the very real difference between those who see their career as primarily based in Australia and those who see it as primarily based abroad. There has also been a reluctance to allow recruits into Foreign Affairs at any but the lowest levels, although there has been rather more movement out of the Department into home-based positions.[2]

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1. Submission No. 703.
2. See Appendix 3A 'The Career Service Survey', Paper 8.

9.4.48 The Commission in general endorses the proposals by Dr Sharp for the rotation of Foreign Affairs officers into and out of the Department at a suitable stage following induction and early postings, on a basis which would fit them into the broad scheme of rotation proposed by the Commission itself. Thus the rotation need not be made immediately after the first posting abroad—for many officers the advantages would be greater at a later stage of their career. We *recommend* that, as a general principle, all diplomatic staff, and as high a proportion as possible of other Foreign Affairs staff whose service is largely overseas, should serve for periods with other departments in Australia. R226

9.4.49 While a system of rotation will be of value, we think it may not in itself be sufficient. Accordingly, we *recommend* that Foreign Affairs should recruit at all levels from other parts of the Service by advertising positions or groups of positions, both those subject to posting overseas and within the Department itself. As these recommendations are implemented we believe that the formulation of foreign policy will become both more expert—more a blend of overseas and home policy experience—and more knowledgeably based in Australia's interests; and that many of the difficulties of co-ordination currently experienced will be alleviated. R227

9.4.50 *Conditions of service:* More than three quarters of those serving the Australian government overseas (excluding establishments at Butterworth (Malaysia) and Antarctica) are attached to Foreign Affairs—731 of the 1200 permanent officers and 2700 of the 4100 exempt employees at the end of June 1975. The largest other departmental employers of staff overseas at the same date were Labour and Immigration and Defence[1]. There were 128 persons employed under the Trade Commissioner Act, and a further 480 locally engaged staff[2]. Most of those having the expectation that service overseas will be a primary feature of their working lives are within Foreign Affairs, and as such they require special consideration.

9.4.51 Against this background Dr Sharp prepared his report and recommended the establishment of an Overseas Service Advisory Council (OSAC) consisting of a full time Chairman appointed for two years, and having representatives of departments and staff. He envisaged that OSAC would develop and keep under review principles and standards to be followed in determining conditions of service generally.

9.4.52 The Commission has had discussions with Dr Sharp, the Department of Foreign Affairs, the Public Service Board, Treasury and representatives of other interested departments concerning the proposal to establish OSAC to replace the Committee for Conditions of Overseas Service (CCOS). It has concluded that at this stage rather less elaborate machinery would be appropriate, and accordingly suggests regular, possibly bi-annual discussions modelled on those of the Joint Council among representatives of departments and unions and associations with significant membership serving overseas. If, as we believe, OSAC in this modified form proves able to make an important contribution in matters of terms and conditions for overseas employment, then it may well develop along the lines

1. Labour and Immigration employed 186 permanent officers, Defence 1285 exempt employees.
2. For further details, see table in Appendix 3.K.

suggested by Dr Sharp, including the appointment of a permanent or part-time Chairman of high rank and the acquisition of some executive functions.

R228 9.4.53 Accordingly, the Commission *recommends* that:

(a) an Overseas Service Advisory Council, chaired by a member of the Public Service Board, be established to provide
  (i) a forum for discussion of matters affecting service outside Australia,
  (ii) advice to the regulatory authorities and departments on any matters within their respective jurisdictions which affect the conditions of overseas service;

(b) the Council should include representation from the Public Service Board and Treasury, from each department or agency with a substantial number of officers in overseas missions, and from registered unions or associations having significant membership in overseas establishments (these would have a right to contribute agenda items). On appropriate issues it should also draw into consultation representatives from other bodies representing sectional groups, for example the Foreign Affairs Association and the Foreign Affairs Wives Association.

While OSAC could be expected over time to exercise a significant influence, particularly on matters of broad policy, the Public Service Board would naturally need to continue with the existing arrangements for prompt determination of operational questions as they arise.

9.4.54 To guide the determination of conditions, the Commission gives general endorsement to the proposals made by Dr Sharp relating to such matters as equalisation of basic salaries and adequate provision for representational responsibilities and the problems of special locations. However, some of the principles he suggests are based on Canadian practice which may not in all aspects be entirely appropriate to Australia. There are also particular problems in determining common conditions for all Australia-based staff, as some of these serve under conditions within Australia which are not fully comparable. The
R229 Commission accordingly *recommends* that, within the limits of applicability to Australian conditions, the principles proposed by Dr Sharp for the determination of overseas allowances (his recommendations 21 and 24–27) should be adopted and that a common code should as far as possible apply to conditions of service even where Australian conditions of service are different, unless the result is substantially unfair.

9.4.55 The foregoing paragraphs deal primarily with terms and conditions for Australia-based officers. There is an important additional group, numerically larger than those based in Australia, who provide much of the basic services for Australian posts overseas. These are the 'locally engaged staff', numbering 2656 out of a total Foreign Affairs staff of 4684 in December 1974. Many of these have given long and valuable service to the Australian government and while we
R230 recognise the special features associated with their employment we *suggest* that consideration be given to providing better career prospects for them than at
R231 present. We further *recommend* that a delegation of authority to determine appropriate markers (within guidelines stated by the Public Service Board, which should allow a substantial degree of local authority and reserve only important issues of principle) be extended to the Department of Foreign Affairs with the

Public Service Board retaining primary authority and determining those matters which fall outside the delegation guidelines.[1]

9.4.56 We consider there should be an annual review of salaries and other conditions of locally engaged staff and that heads of mission should be authorised to make appropriate adjustments between annual reviews of salaries and other conditions wherever the average movement of marker salary rates equals or exceeds 5 per cent. However, we do not think that specific Australian conditions should be introduced for locally engaged staff. Rather, the aim of the Commonwealth government should at all times be to act as a good employer in the local environment, always taking into account certain minimal acceptable conditions that Australia should provide. R232

9.4.57 *Inspection and review:* The number of overseas posts has grown rapidly in recent years, bringing the total in late 1975 to 94—66 full diplomatic missions (including 4 missions to international organisations) and a further 32 functional, that is, non-diplomatic posts of which 7 are in countries where there is no mission. The head of 23 of the 32 functional posts is an officer from a department other than Foreign Affairs (either Overseas Trade or Immigration and Ethnic Affairs) which indicates a commendable flexibility in organisation overseas.

9.4.58 The balance of functions between political or diplomatic and administrative or consular naturally varies from post to post and from time to time. However, with the rapidly increasing number, the immediacy of interests—either political or functional—must be diminishing. The Commission *recommends* that new missions or posts be opened only when there is a clear need; that the structure of a post be determined by direct reference to its main functions; and that regular reviews be made of the need to maintain missions or posts. (It should be possible in most cases to arrange dual accreditation if a mission ceases, in the broad sense, to be cost-effective.) Admittedly, it is not possible to assess in purely monetary terms whether a post is giving or would give 'value for money', but the Australian interest should be weighed against the scarce resources of both people and finance involved. Where the functions are primarily related to those of a department other than Foreign Affairs—normally these would relate to trade or immigration—there should be no automatic assumption that the post should be headed by a Foreign Affairs officer, though a specialist Foreign Affairs officer might often be attached to the post for 'political' functions such as reporting. In short, the criteria for establishing missions or posts overseas should be the same as those for establishing offices of departments within Australia: that there is a clear functional interest to be served. Foreign Affairs would nevertheless need, because of its general interests in conditions of service overseas, to keep a watch over terms and conditions for Australia-based and locally engaged staff, even in countries in which it does not maintain a mission: Foreign Affairs should have the capacity to be particularly flexible in the management of its overseas establishments, because of its practice of posting officers for limited periods. R233 R234

9.4.59 In its submission to the Royal Commission, the Department of Foreign Affairs recommended that an Inspectorate-General be established within the Department to monitor and regulate work and conditions of service at overseas

1. 'Markers' are selected salary rates paid by local reputable employers, including expatriate firms and missions of comparable countries, which are used to assist in determining rates for locally engaged staff employed by Australian agencies.

posts.[1] Having in mind our decision not to recommend a separate Foreign Service Act we have concluded that there is no need to established a separate Inspectorate-General. However, we commend the steps the Department has taken, in association with the Public Service Board, to make regular inspections of posts overseas. The system of post liaison visits, which are undertaken by the Secretary or one of the Deputy Secretaries, is designed to review and promote the effectiveness at policy and general organisational level of individual posts, and might well serve as a model for departments operating primarily in Australia. In addition, the Public Service Board conducts inspections related primarily to conditions of service. With the modifications outlined below, these arrangements for review should continue.

9.4.60 The Commission is aware of the cost and demands on senior staff of inspections. It raises the question whether, at the post liaison level, it will be possible for the Department's visits to be comprehensive. It may be that the program of visits will need to concentrate much more on regions or countries of particular interest or where the performance of the post is felt to require review.

R235 With this reservation in mind, the Commission *recommends* that the system of post liaison visits be maintained and be clearly structured with the primary purpose of establishing:

(a) whether there is justification for continuing the operation of the post or of any sections of the post;
(b) the functional objectives for which the post is responsible;
(c) the broad resource levels necessary to meet the functional objectives.

9.4.61 At the level of detailed operations, the Commission endorses the findings of Dr Sharp, that inspections of posts should continue and be improved (Recommendations 35–39). It sees these inspection arrangements as com-

R236 plementary to the post liaison visits and *recommends* that:

(a) wherever practicable, joint inspections should be conducted by the Public Service Board and Foreign Affairs officers, with other departments represented when appropriate;
(b) inspections should extend to embrace an assessment of management practice at individual posts and should monitor decisions taken under delegated authority;
(c) individual inspectors should be authorised to determine any matters arising unless good reason exists for deferring a decision;
(d) a joint report should be prepared by the inspection team for Foreign Affairs (including the post concerned, the Public Service Board and appropriate departments);
(e) consideration be given to inviting union representation on some of the visits made by inspection teams.

9.4.62 *The authority of heads of mission:* The Department of Foreign Affairs drew attention to the difficulty which can arise when a difference of view develops between the head of mission and an officer attached to the mission from another department, for example, Overseas Trade, Immigration and Ethnic Affairs, Defence or Treasury. It proposed that staff from other departments attached to posts overseas should be seconded to the foreign service and be placed under the

1. Submission No. 214, paragraphs 166–169.

authority of the Minister for Foreign Affairs. We believe this course would be neither desirable nor appropriate. At the same time, we recognise that close liaison is necessary between all officers serving the Commonwealth government overseas, and consider their activities should normally be co-ordinated by the head of mission, as the senior accredited representative of the government.

9.4.63 We endorse the view[1] that the head of mission should be understood to have authority to exercise local discipline and guidance in relation to departmental officers posted overseas. He or she should have the right, which may be overridden by ministers, to decide the way in which a matter will be formally communicated to a foreign government; and a right, naturally subject to clearance with departmental head offices, to use all resources in the mission's territory to meet special needs over limited periods, for example, until replacement or additional staff can be brought in.[2] The head of mission should also have the primary delegation to make adjustments to terms and conditions for the employment of all Australia-based and locally engaged staff, regardless of the department to which they are attached, where such delegations are made.

9.4.64 We do not, however, support the recommendation in the Sharp Report that in cases where the head of mission and an attached officer are unable to reach agreement, the attached officer should be transferred. Care must necessarily be taken in the appointment of officers to missions, and the Commission would expect that as a matter of normal prudence the Department of Foreign Affairs would not only watch over its own postings but also be consulted by other departments about officers they intend to attach to posts overseas. Where a disagreement does develop, it will normally be possible to resolve it at the mission itself. Where this is not possible, the matter will have to be taken up in Canberra and appropriate action taken, which may require moving one of the officers involved, after consultation between the departments and, if necessary, at ministerial level.

9.4.65 *Other matters:* We have set out above our views and recommendations on the most important of the proposals put forward by Mr Justice Sharp. Appendix 3.K contains our comments on aspects of some more of the proposals contained in the Sharp Report. Subject to these, the Commission *recommends* that the Public Service Board, the Department of Foreign Affairs, and others concerned, follow up with a view to implementing them, the remaining proposals contained in the Sharp Report. R237

9.5 MANAGERS IN THE ADMINISTRATION

9.5.1 In other sections of our Report we have made recommendations affecting the role of management in relation to particular activities of the administration. These include the new degree of accountability for departmental managers recommended in Chapter 3, the new responsibilities outlined for them in Chapter 4, the changes involved in making the administration more responsive to the community (Chapter 6) and in delegating more authority away from the centre (Chapter 7), as well as the range of recommendations made in this and the

1. Expressed by Sir Arthur Tange in a letter to the Commission, 17 January 1975.
2. Other matters in this area seem to be covered adequately by the Prime Minister's 1974 Directive, which took the form of a letter to ministers about relations between departments at overseas establishments.

previous chapter affecting staffing practices. In the following sections we discuss methods of selecting and training managers and the role of 'management services', those areas of departments whose job it is to provide support for the operational or policy areas of departments—through information systems, training, audit, or 'personnel' work.

The Selection and Training of Managers

9.5.2 Given the increased responsibilities we are recommending for departmental managers, it is obviously important that special consideration be given to ensuring that senior management is able to handle those responsibilities effectively. In Chapter 8.4 we noted the probability that there will be a shortage of senior experienced people during the next decade or two, which increases the need to ensure that staff with potential are identified and prepared for management positions.

9.5.3 Apart from the problem of shortage of staff in the 'feeder levels' there is the problem of limited job movement of second division officers. Change of jobs has usually come through promotion, and promotional opportunities within the second division are very limited. Indeed, nearly half of second division positions in the service are at level 1. It is likely, therefore, that the combined effect of the age structure and the limited movement within the range of second division jobs will result in an inadequate supply of sufficiently experienced managers.

9.5.4 *The 'Senior Executive Category':* We have recommended in section 9.2 that the existing divisional structure be abolished and that in its place a range of categories of staff be developed to assist in the management and the development
R238 of the service. We *recommend* that the higher management levels of the service—broadly those now comprehended within the second division—be marked out as Senior Executive Officers within a Senior Executive Category.

9.5.5 *Selection for appointment:* It is important that when higher level appointments are being made, either in departments or in statutory bodies or agencies, the appointing authorities should have available to them comprehensive lists of people for consideration. Such lists would result from the rotation concept we propose in Chapter 11.6 supplemented by information about the length of time which individuals have served in particular positions.

9.5.6 In Chapter 11.6 we outline the role we envisage the Public Service Board undertaking in relation to higher appointments. In order to ensure that the best possible appointments are made to positions in the Senior Executive Category, and that there is consistency in the level of achievement required throughout the
R239 Service, the Commission *recommends* that:

(a) all senior vacancies be advertised within the Service, unless the Public Service Board has agreed that in the particular circumstances there is no need for advertising;
(b) an officer of the Board be included on the selection panel;
(c) the selection panel make its recommendations to both the Board and the departmental head;
(d) where there is disagreement as to the person to be appointed, the departmental head make the appointment.

9.5.7 *The development and maintenance of management skills:* The active involvement

we are recommending for the Public Service Board in higher level appointments, suggests that it should also be closely involved in the training of likely 'candidates'.[1] We note the current development within the Board's Office of an 'Australian Government Managers' Program' which, although at present somewhat limited in scope, could be a useful adjunct to the procedures we outline in Chapter 11.6 for staff rotation. For staff already holding senior executive positions, we believe that the management seminars arranged by the Board should be complemented by 'policy' seminars (that is, discussions relating to business of departments), organised by single departments or groups of departments when areas of need are identified.

9.5.8 However we believe that officers are properly and best prepared for positions in the Senior Executive Category through having a wide experience of different aspects of the administration. To give them this experience is a more effective way of obtaining and maintaining management skills than are formal training courses. We have at several places in the Report[2] emphasised the need for staff mobility and the role of the Public Service Board in promoting it. We believe the need for mobility is particularly great for officers who are likely to move into the Senior Executive Category, and those already in it.

9.5.9 One way of ensuring that such officers can develop and maintain management skills is simply to expose them to different work through rotation to a department where their skills could for a time be used away from the department of their choice. Another would be to ensure, through rotation, that those who occupy management jobs in departments and agencies are not left there, but are given a chance before it is too late, to apply themselves in program or policy activities. Another possibility is to ensure that managers are given a period of rotation in one of the central agencies or, if they belong to the central agencies, in functional departments. As part of the policy to promote a wider range of experience among senior executive officers we *recommend* that officers in this category should normally not remain in any one position for more than 5–7 years, and the Public Service Board should watch over the arrangements made for moving such officers. We prefer the flexibility of this arrangement to proposals put to us for term or contract appointments of second division officers.

9.5.10 Thus officers in the Senior Executive Category should expect movement at any time after five years. In this way, the creative contribution of officers, which cannot be relied upon to last much beyond seven years in any one job will be maintained and the versatility of officers developed. Mobility of his kind must be regarded as a Service-wide issue and not one which can readily be handled within the framework of a single department. It will be an important task of the Public Service Board to promote the mobility desired. We take up the general question of career mobility again in Chapter 11.6.

Management Services

9.5.11 The proposals we have made in this Report relating to forward estimates, financial and manpower controls, and staffing practices, are only likely to be managed effectively by departmental staff if they have access to a variety of

1. See Appendix 3.E, which includes the conclusions of our consultant on Management Training, Dr T. Williams.
2. See also Appendix 3.F, 'Mobility'.

specialist expertise. This range of expertise encompasses what may be referred to as the 'management services' function in government administration.

9.5.12 At present, the management services area is characterised by a wide diversity of activities, nomenclature (including position designations), staff experience and training, departmental influence and status. For example, a range of functions are common to over 50 per cent of the departments surveyed: directors and personnel officers in 16 departments revealed that the following range of functions are common to over 50 per cent of the departments surveyed:

(a) advice on the formulation of policies and practices in personnel management, including recruitment, training, staff development and manpower planning;
(b) the exercise of delegations under the Public Service Act and Regulations;
(c) personnel operations including applications of conditions of service, control of registry and office services;
(d) establishments;
(e) representation of departments at inter-departmental meetings.

Other functions less commonly performed (that is, in less than 50 per cent of departments surveyed) were organisation and methods, security, finance, industrial relations and certain operational functions. These included:

(a) control of departmental relief staff;
(b) co-ordination and operations of departmental procedures for vacancy interviewing and promotion appeals;
(c) staff welfare and amenities;
(d) control and implementation of flextime.

9.5.13 Analyses have been carried out by Commission staff of data contained in the Public Service Board's Continuous Record of Personnel for public servants in positions with unambiguous 'personnel', 'establishments', 'training' or similar designations (collectively referred to here as 'management services' positions). These analyses revealed that management services is a relatively fast growing area of the Service, having a disproportionate number of staff recently promoted to their current positions. However, the people moving into management services positions (on the above definition) have tended to be older, longer-serving staff. Thus the growth of the management services area may lack the stimulus of fresh ideas which the younger and more recently recruited person might be expected to bring to this area of the Service.

9.5.14 In accordance with the recommendations made in earlier chapters for an increased role by departments in the management of their resources, the
R241 Commission has identified the following categories of service function that should be provided to departments by modern management services units:

(a) *information management:* in order to make timely and relevant decisions, staff at all levels in government organisations must have access to a comprehensive information system which is updated by a continuing appraisal of the organisation's external and internal environments. This appraisal should encompass not only the efficiency, effectiveness and morale of the diverse individuals and groups which comprise the organisation and the use of financial resources but also the efficiency,

effectiveness and morale of the organisation as a total system. Rather than remaining locked into the managerial hierarchy, information will need to be collected from and be accessible to all levels of the organisation and, quite importantly in our view, in respect of information on which personnel policy is based, to staff associations (for example, training needs, manpower and career planning, job satisfaction, etc.). Automatic Data Processing skills will be essential for the effective interpretation of the information contained in those systems.

(b) *consultancy and organisational management:* this management services function comprehends a wide variety of consultancy services including organisational data collection and problem diagnosis, administrative system design, collection and dissemination of information and skills relating to new management techniques, and the provision of a range of specialist expertise in the design and implementation of strategies of organisational development or improvement. These specialist skills are likely to encompass the fields of social psychology, sociology, industrial relations, education and organisational development.

(c) *industrial relations and personnel administration:* this category of management service functions, which in many ways overlaps (a) and (b) above, encompasses the various traditional aspects of personnel management (wages and salaries administration, establishments control, recruitment, training) as well as the new or developing areas (such as management-staff consultation, manpower planning, classification reviews, staff appraisal and counselling).

9.5.15 Each of these broad functions will need to have central as well as local counterparts. In particular, the Public Service Board should: R242

(a) act as a central clearing house and reservoir of knowledge, specialist skills and independent consultancy expertise which can be used by the broader Commonwealth Service we have proposed in section 9.4;

(b) encourage and assist departments to formulate and regularly review plans for their long-range development as integrated, adaptive social and technical systems;

(c) identify the need for and facilitate the introduction of changes in Public Service legislation, rules, regulations and traditions to ensure that initiatives for organisational improvement are legitimised and rewarded and not discouraged;

(d) develop policy guidelines for maintaining the efficiency, effectiveness and morale of the Service as a whole, and for its developing role in relation to the broader changes in Australian society.

9.5.16 Finally, we emphasise that the management services elements in departments need to be given a much more substantial role than their present relatively routine administrative and staffing functions. We *recommend* that as one measure towards improving the performance of management services groups, those working within them be moved into and out of operational areas and that consideration be given to appointing the senior officers for stated periods, for example, two or three years, after which they would return to functions of program execution and policy advising. R243

9.6 INDUSTRIAL RELATIONS

Machinery for Wage and Salary Fixation

9.6.1 The primary responsibility for determining the terms and conditions of Commonwealth employees rests on the Public Service Board (see Chapter 11.6) and various statutory authorities (see section 9.4). However, this function is subject to recourse to the following arbitration tribunals: the Public Service Arbitrator; the Australian Conciliation and Arbitration Commission; the Flight Crew Officers Industrial Tribunal; the Remuneration Tribunal; the Australian Capital Territory Police Arbitration Tribunal; the Northern Territory Police Arbitration Tribunal; the Northern Territory Prison Officers Arbitration Tribunal; the Northern Territory Senior Prison Officers Arbitration Tribunal; the Northern Territory Fire Brigade Arbitration Tribunal; the Academic Salaries Tribunal.

9.6.2 The pay and conditions of defence personnel are normally determined by the Minister on the recommendation of the Department of Defence. But in addition, from time to time, the Committee of Reference for Defence Forces Pay, on reference from the Minister, makes recommendations on variations in pay and conditions as the Minister requests.

9.6.3 **Main tribunals:** The bulk of Australian government employees come under the determinations of the Public Service Arbitrator and the awards of the Australian Conciliation and Arbitration Commission (to be referred to hereafter as the 'Arbitration Commission'). The distribution of coverage as between these two tribunals has been drastically affected by the creation in July 1975 of the Australian Postal Commission and the Australian Telecommunications Commission to replace the Postmaster General's Department. The legislation establishing these two Commissions provided for the Arbitration Commission to be the arbitral tribunal.

9.6.4 The Public Service Board, the Department of Employment and Industrial Relations[1] and the Australian Council of Employees Federations[2] have suggested that the jurisdiction of the Public Service Arbitrator should be taken over by the Arbitration Commission. Although there has been a lack of unanimity in union policies on this matter, a number of unions which made submissions to us have urged that the present separate system of Public Service arbitration should be retained.

9.6.5 However, the unions have asked that certain provisions in the Australian Conciliation and Arbitration Act should be incorporated in the Public Service Arbitration Act. In particular they mentioned:

(a) the provision relating to the right of access of union officials to work places (s. 42);
(b) the provision relating to the power to grant preference to members of registered organisations (s. 47);
(c) the elevation of the Public Service Arbitrator to the level of Deputy President and with the same provision for tenure to the age of 65;

1. Submission No. 732.
2. Submission No. 500.

(d) the extension to Deputy Public Service Arbitrators of the provision relating to the right of Commissioners to sit on reference and appeal benches and to be free to make awards without prior approval of the Public Service Arbitrator.

Furthermore, to place Australian public servants on the same basis as other employees, the unions have asked for the removal of the current provision in the Public Service Arbitration Act (section 22) which gives Parliament the right to disallow determinations of the Arbitrator[1] and any decisions of the Arbitration Commission on reference or appeal.

9.6.6 In our assessment, these proposals, which we endorse, if anything strengthen the case for the absorption of Public Service Arbitration into the Arbitration Commission. Certainly, the unions have not made a strong or sufficient case for retaining the present separate jurisdictions although they have said that they consider there are no 'compelling reasons' for absorption.

9.6.7 The establishment in 1920 of a separate industrial tribunal for Commonwealth government employees was at least partly inspired by the Public Service Commissioner's reaction against the uses which staff organisations had made of the arbitral jurisdiction. More immediately, it was based on the need to relieve the congestion in the Arbitration Court and to provide a means for ensuring consistency in pay and working conditions within government employment. Since 1956, separation of Public Service Arbitration from the Arbitration Commission has been qualified by the introduction of provisions for reference and appeal (sections 15A and 15C), on matters of sufficient importance in the public interest, to a full Bench of the Commission constituted under the Public Service Arbitration Act. Since 1972, the Arbitration Commission has been organised on a panel system which could meet the requirements of speed and consistency in the determination of the pay and working conditions of Commonwealth government officers and employees. Finally, the recent move of the postal and telecommunications employees out of the jurisdiction of the Public Service Arbitrator and into that of the Arbitration Commission has reduced the Arbitrator's coverage of Commonwealth government civilian staff from about 90 per cent to 60 per cent (this being still a wider coverage than that of the Public Service Board). Thus a number of the arguments which led to the establishment of a separate tribunal for Public Service arbitration no longer have the same force. While we agree that there are no 'compelling reasons' for absorbing the Public Service Arbitrator's jurisdiction into the Arbitration Commission, we see distinct advantages for such a move.

9.6.8 Industrial discontent is often generated by differences in standards of pay and conditions of work which are not warranted by the nature and circumstances of work. The existence of unions whose membership straddles a wide area of Commonwealth government employment and the resulting pressures for fairly uniform standards of pay and conditions of work throughout this area, constitute *prima facie* strong industrial relations grounds for avoiding undue fragmentation of authorities, both managerial and arbitral, concerned with determination of

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1. The section applies to those determinations which in the opinion of the Arbitrator are not, or may not be, in accord with a law of the Commonwealth relating to conditions of employees in the Public Service.

pay and conditions of work of government employees. The managerial aspect of this matter will be discussed later (paragraphs 9.6.41–54).

9.6.9 On the arbitral aspect, we believe that, with certain exceptions, it would be wise to place all Commonwealth government employees under a single
R244 industrial tribunal. We *recommend* that apart from the exceptions noted in paragraph 9.6.40 the whole of Commonwealth government employment be placed within the jurisdiction of the Arbitration Commission. The Conciliation and Arbitration Act would be amended to provide a separate part dealing with the powers and procedures relating to Commonwealth government employment in the way that currently applies to the Flight Crew Officers Industrial Tribunal. However, in line with the provisions relating to other panels of the Arbitration Commission, the Deputy President of the proposed Commonwealth employment panel should be assigned to this panel by the President of the Arbitration Commission.

9.6.10 The present panel system operating in the Arbitration Commission would enable all Commonwealth government employees, those employed under the Public Service Act as well as those employed by various statutory authorities outside this Act, to be dealt with by a specialist panel under a Deputy President and several Commissioners following in general the procedures and rules of the Public Service Arbitration Act. In effect, such an arrangement would be no different from one in which the Arbitrator handled the whole area of Commonwealth government employment under the existing Public Service Arbitration Act as amended in accordance with the submissions of the unions. There is the further advantage of enabling changes in the panel personnel to take place from time to time without impairment of the tenure of such persons within the Commission.

9.6.11 Thus, the establishment of a panel for Commonwealth government employees within the Arbitration Commission should facilitate consistency of awards within the area of Commonwealth government employment as well as between this area and the rest of industry covered by the Arbitration Commission. At the same time, the resolution of conflict within Commonwealth employment should remain free from the various awkward jurisdictional restrictions relating to the meaning of industrial disputes, interstateness, ambit and common rule which apply to the power of the Arbitration Commission in relation to other employees.

9.6.12 In recommending that the Arbitration Commission should handle the industrial matters of the whole area of Commonwealth government employment, we draw attention to the conditions which we believe to be necessary for effective operation of the arbitral machinery in this area of employment:

(a) statutory independence of the wage fixing tribunal which operates within defined procedures including appeals and references to full benches but whose awards are final and not subject to disallowance by Parliament;
(b) the Public Service Board and/or government through its employing authorities having the same rights as the unions in tribunal proceedings;
(c) application of equitable principles of wage determination which maintain close parity of pay rates in Commonwealth government employment with comparable rates in the private and State sectors;
(d) due regard for the state of the economy particularly on matters which

could be said to go beyond the standards enjoyed outside Commonwealth government employment;

(e) consistency in the principles and decisions of the tribunals throughout their area of operation;

(f) the conduct of proceedings with speed and in accordance with accepted practices of open hearings, adequate opportunity for parties and interveners to make full submissions, and the issue of reasoned decisions.

We believe that to give full effect to these requirements, a number of departures from the provisions, procedures and practices of the present system of Public Service arbitration will be necessary.

9.6.13 *Powers of disallowance:* We *recommend* that the Government's power of disallowance of the tribunal's determinations at present contained in section 22 of the Public Service Arbitration Act be removed. Disallowance has occurred on four occasions only and the procedures in meeting the provisions under this section involve an unwarranted use of resources. But, more importantly, it seems to us to be wrong in principle for an arbitration procedure, whether in the public or private sector, to be qualified in this way and it is at variance with the way arbitration awards are viewed in the private sector where the employer has no right of veto on arbitration awards. R245

9.6.14 We make no recommendation on the desirability or otherwise of excluding the tribunal from dealing with certain matters, for example, those covered by the Commonwealth Employees' Furlough Act, the Superannuation Act, the Commonwealth Employees' Compensation Act and any other prescribed Act or prescribed provisions of any other Act. However, as a matter of practice, on those matters not covered by these Acts, an arbitration tribunal should expect its determinations to apply subject only to the appeal provisions within the arbitration system and to challenge on questions of law in the High Court.

9.6.15 *Rights of appearance:* We *recommend* that the Public Service Board, ministers and any Commonwealth government authority should have the same rights as all registered unions in proceedings before the Arbitration Commission. R246

9.6.16 *Determining power for Public Service Board:* The Public Service Board has submitted[1] that:

> 'it should be enabled to give prompt effect to agreements reached with staff organisations or other decisions it reaches on pay and other conditions of employment for staff under the Public Service Act and proposes that it be empowered under the Act to make determinations to implement such arrangements generally.'

Greater speed in implementation was also sought by the Council of Australian Government Employee Organisations.

9.6.17 We believe there is much merit in this proposal. We *recommend* that, for the purposes of the Conciliation and Arbitration Act, the Board be recognised as the 'employer' not only of those employed under the Public Service Act but also of those employed under other Acts all or some of whose terms and conditions of R247

1. Memorandum 26, 'Powers and Machinery for Determining Pay and Other Conditions of Employment', paragraph 28.

employment have to be determined or approved by the Board. The Board should also have the power to determine all those matters of pay and conditions on which it has at present the responsibility to negotiate and to settle. It may be that on certain specific conditions (superannuation, compensation, etc.) the government rather than the Board, should have the right of determination and the powers of
R248 the Board should be appropriately qualified. Accordingly, we *recommend* that subject to the overriding power of the Conciliation and Arbitration Commission, and except on matters from which it is specifically excluded, the Public Service Board be given the necessary power to make determinations on terms and conditions of employment. Disputes and grievances relating to personnel administration such as selection, promotion and dismissals, should be resolved through the procedures established under the Act without recourse to the Arbitration Commission.

9.6.18 *Accusations of pace-setting:* Submissions have been put to us by the Central Industrial Secretariat[1] and the Associated Chamber of Manufacturers of Australia[2] that the Australian government sector has acted as an inflationary pace-setter on pay and conditions in recent years. We believe a distinction should be made between improvements in terms and conditions of employment which are the consequence of government decisions and decisions made by the Public Service Board and the Public Service Arbitrator. In particular, the Whitlam government legislated for an additional week's annual recreation leave and for parental leave. So far as the Board and the Public Service Arbitrator are concerned no persuasive evidence has been put to us to suggest that they have acted as pace-setters. We believe that these two bodies, and other primary wage fixing authorities in government employment should continue to determine pay rates and conditions of employment on the basis of fair comparison with the
R249 private and State sectors, and we *recommend* accordingly. However, in view of criticisms which have been made concerning the pay surveys conducted by the Board we would urge that the Board carefully re-examine the basis of these surveys in order to ensure that they constitute fair comparisons with the private sector and State public sectors. In matters which are taken before the arbitration criticisms which have been made concerning the pay surveys conducted by the Board we would urge that the Board carefully re-examine the basis of these surveys in order to ensure that they constitute fair comparisons with the private sector and State public sectors. In matters which are taken before the arbitration tribunal for determination, it will of course be for the tribunal to decide on appropriate pay rates and conditions in the light of the submissions made by the parties and the principles applied generally by the tribunal.

9.6.19 *More comprehensive awards:* The procedures of the Public Service Arbitrator arising partly from the many unions involved, have resulted in an unnecessarily large number of determinations with the consequent cost of
R250 processing them. We *recommend* a reduction in the number of awards for Commonwealth government employees by making such awards more comprehensive in relation to both the pay and conditions of employment and the parties involved. Thus, all unions whose members are covered by a common set of pay and conditions would be parties to the one award. However, this is not to suggest that an application for a consent award should be delayed simply because all the

1. Submission No. 500.
2. Submission No. 412.

unions concerned have not agreed to the terms of such an award. So long as the unions covering the bulk of the employees affected have agreed with either the Public Service Board or statutory authority to the terms of an award, we *recommend* R251 that the Board or authority should proceed with the application to the Arbitration Commission.

9.6.20 *Legality of industrial action:* In the current industrial climate, section 66 of the Public Service Act, which makes it illegal for public servants to take industrial action and renders them liable to summary dismissal, is not viable. This section has not been invoked despite the fact that various forms of direct industrial action, including strikes, have been taken by public servants in recent years. The following table provides an indication of the relative significance of time lost due to direct industrial action in the Commonwealth Public Service.

Man-hours lost per 1000 employees per year[1]

	Commonwealth Public Service	*Australia (excluding CPS)*
1969 (July-December only)	70	1 310
1970	1 607	4 531
1971	795	5 746
1972	469	3 735
1973	457	n.a.
1974	2 385	11 213

It is evident from the above table that time lost due to industrial action is considerably less in the Public Service than in the remainder of the civilian workforce. It should be noted however, that these figures do not include action taken by government employees employed outside the Public Service Act and, in some areas, for example Naval Dockyards, time lost due to stoppages would be considerable. Both the Public Service Board and the Department of Employment and Industrial Relations advocated repeal of this section and the Commission *recommends* that the provision be deleted. Of course, it would be open to the R252 government should circumstances warrant it, to legislate for the maintenance of essential services.

9.6.21 *Compulsory or preferential unionism:* The unions have asked that any improvements in pay and conditions awarded to public servants should accrue only to union members and those shown to be conscientious objectors. The object of this proposal as we understand it is to induce public servants into union membership.

9.6.22 The Arbitration Commission has as one of its objectives the encouragement of trade unionism and it has the power to order preference to union members. It has exercised this power in a number of cases either where such a condition was agreed to between employers and unions or where the tribunal is persuaded that unjustifiable discrimination exists against union members. But it has no power to order compulsory unionism, although, presumably, such power could be conferred upon it for Commonwealth government employees.

9.6.23 The Board has argued that preference for unionists in employment and

1. Public Service Board, Background Volume 5, Pay, Conditions and Industrial Relations, p. 113.

promotion and other such benefits would conflict with the merit principle which it says is 'fundamental to the continuing viability and health' of the Public Service. We accept this view and believe that union preference provisions would be a cumbersome arrangement and would be conducive to strife between union members and non-unionists.

9.6.24 The question is whether the Board and statutory bodies should be given authority to come to an agreement outside the award of the Arbitration Commission requiring Commonwealth government employees (conscientious objectors excepted) to join the appropriate union within a short time after recruitment and making continued employment depend on union membership. This is an arrangement commonly adopted in private industry and would meet the submissions of the Public Service unions.

9.6.25 The Commission is undecided about the wisdom of compelling union membership in government employment despite the occurrence of such an arrangement in many areas of private industry and makes no recommendation on this matter.

9.6.26 However the Commission has given consideration to the suggestion that non-unionists should be required to pay a service or agency fee in lieu of dues to the appropriate union. On balance, it believes that there is merit in this approach. Such a fee would meet the valid point of view, that unions serve an important organisational function in representing employees in negotiations with employers and in appearances before industrial tribunals and that the cost of such a service should be borne by all employees, including those who may decide not to become members of the union. We note that such a system has operated in the Canadian Public Service for many years as a result of the decision of Mr Justice Rand in 1946. The collection of union dues and service fees would be a matter of negotiation between the Public Service Board and the unions and be embodied in a Board determination. We understand that since 1970 arrangements have existed for the deduction of union dues from salaries and wages and that authorisation for the deductions to be made is required from the officer or employee. We see no objection to this arrangement and note that the collection of dues and fees through regular deductions from salaries is a practice commonly followed in private industry.

9.6.27 *Audit provisions:* The internal audit provisions within government employment provide the basis for ensuring that determinations are adhered to. The Department of Employment and Industrial Relations suggested that this procedure is not appropriate for purposes of ensuring that industrial awards are observed; and that the relevant provision of the Arbitration Commission relating to the duties of Inspectors (s. 125) should also apply to the Australian government sector. A similar view was also put by the Association of Architects, Engineers, Surveyors and Draughtsmen of Australia.[1]

9.6.28 We are not persuaded that such a change is necessary. The present audit provisions should be amended to ensure that awards are adhered to rather than simply not exceeded. Such a change along with the vigilance of the Public Service unions and the sensitivity of public servants generally to determination and

1. Submission No. 368.

award requirements should ensure that the terms and conditions of employment are met.

9.6.29 *Interpretation of awards:* Under section 15F of the Public Service Arbitration Act, the Public Service Arbitrator may give an interpretation of a determination under this Act. The Department of Employment and Industrial Relations has submitted that should the jurisdiction of the Arbitration Commission be extended to take in all Commonwealth government employment, the interpretation of awards in respect of such employment should be undertaken by the Industrial Court.

9.6.30 Interpretation of awards rarely constitutes a matter which is taken to the Industrial Court. In practice, such issues are resolved by the making of another award which puts the meaning of the first award beyond doubt. The power conferred under section 15F has not been tested but it may be no more than what is commonly done by the Arbitration Commission. We see merit in including this power explicitly in respect of arbitration in the government sector.

9.6.31 *Authority of individual Commissioners:* The Public Service Board has proposed that, to ensure consistency in awards, the present provision in the Public Service Arbitration Act requiring Deputy Public Service Arbitrators' decisions to be approved by the Public Service Arbitrator, should be reflected in that part of the Conciliation and Arbitration Act dealing with Commonwealth employment. This proposal would create an important difference in the authority and independence of Arbitration Commissioners, depending on whether they were dealing with Commonwealth employees or not. We do not believe that such a differentiation is either necessary or advisable for the purpose of ensuring consistency of awards within the panel dealing with Australian government employees.

9.6.32 *Other aspects:* There are many other aspects of the Conciliation and Arbitration Act to which those currently under the Public Service Arbitration Act would be subject which we have not detailed for comment because they are less contentious. We *recommend* that these matters be determined by the government after full discussion between the Public Service Board, Department of Employment and Industrial Relations and the various peak councils of the unions. Such discussions will be most effective if an opportunity to study draft legislation is provided to the parties. R253

9.6.33 **Other Tribunals concerned with Commonwealth government employees:** The argument underlying the absorption of the Public Service Arbitrator's jurisdiction by the Arbitration Commission applies with even greater force to many of the much smaller specialist tribunals listed above (paragraph 9.6.1) concerned with fixing rates of pay and conditions of work of groups of Commonwealth government employees.

9.6.34 In its submission,[1] the Department of Employment and Industrial Relations has said:

> 'These tribunals are not linked in any way with the Conciliation and Arbitration Commission or with the Public Service Arbitrator. Moreover, the procedures of these tribunals do not guarantee to the parties involved the application of the

1. No. 732.

same wage-fixing principles, for example, there are no provisions for appeal. The Department believes that there is a need to reduce the number of tribunals operating in the Australian government area and that compelling reasons would need to be shown to exist which necessitate the separation of particular government functionaries and employees from the main stream of the community's industrial relations processes and procedures for determining wages and conditions in the present social and economic climate.'

9.6.35 The Department suggested that with the exception of judges and members of industrial tribunals, all those in Commonwealth government employment covered by the tribunals listed in paragraph 9.6.1 including members of the Defence Forces should come within the jurisdiction of the Arbitration Commission.

9.6.36 While we see general merit in this proposal we believe that, partly because of the difficulty and possibly the undesirability of adopting the adversary style of arbitration proceedings, it would be wise to keep the determination of pay and other benefits of certain groups outside the normal arbitration jurisdictions. These include members of Parliament, judges and members of industrial tribunals, first division officers, heads of statutory bodies and other statutory office holders, all of whose pay tends to be interrelated and who are at present encompassed by the Remuneration Tribunal; and members of the Defence Forces whose pay rates are determined by the Minister of Defence on the recommendation of the Department of Defence or of a reference committee appointed for the purpose.

9.6.37 We do not share the Department of Employment and Industrial Relations' concern regarding the separation of jurisdictions between, on the one hand, the Remuneration Tribunal and, on the other, the Public Service Arbitrator and Arbitration Commission, in respect of first division officers and senior statutory officers 'whose occupations have a close relationship to officers of the Commonwealth public service'. We do not believe that such a separation of function and differentiation of procedures is either industrially unsound or that 'this approach is not consistent with the objectives of proper co-ordination of rates and conditions for holders of public offices and for Australian government employees generally'.

9.6.38 The Remuneration Tribunal should not be a pace-setter and could be directed in its terms of reference to take account of the pay movements of relevant groups as well as general community movements.

9.6.39 In connection with the pay of Defence Forces, we note the point made by Sir Arthur Tange that the Chairman of the Committee of Defence which recommends pay rates and other benefits to the Minister of Defence, is required to be a judge of the Commonwealth Industrial Court or a Deputy President of the Arbitration Commission and that one of the two other members of the Committee should be a Commissioner of the Arbitration Commission.

R254 9.6.40 We therefore *recommend* that the Remuneration Tribunal and the Committee of Reference for Defence Forces Pay retain their present jurisdictions but that all Commonwealth government employees not covered by these two tribunals be dealt with by the Arbitration Commission in respect of their pay and conditions of work. In relation to the Remuneration Tribunal, we believe that there may be considerable benefit in the creation of provisions which provide

scope for giving special consideration to the claims of the holders of public offices, especially those whose salaries traditionally have been broadly equivalent to the salaries paid at levels of the third division of the Public Service. In particular, we note that the Tribunal is required at present under section 8(1) of the Remuneration Tribunals Act to report at the one time on all the groups within its jurisdiction and we *recommend* that consideration be given to repeal of this provision. R255

Co-ordinated Management of Industrial Matters

9.6.41 We referred earlier (paragraph 9.6.8) to the wisdom of avoiding undue fragmentation of authorities, both managerial and arbitral concerned with fixing pay and conditions of work. We turn now to consider the requirements of co-ordinated management in industrial matters.

9.6.42 The primary responsibility on the management side for determining pay and other conditions of work of those employed in the Commonwealth public service rests on the Public Service Board without government or ministerial direction. For statutory authorities, there are a multiplicity of arrangements ranging from Board primary responsibility to responsibility by the authority without approval by the Board or the minister. These arrangements are discussed in section 9.4 (Staffing Statutory Bodies) and a comprehensive list of authorities categorised by type of staffing arrangement is provided in Appendix 1.K.

9.6.43 Until July 1975, some 80 per cent of Commonwealth government employees were employed under the Public Service Act or with terms and conditions subject to Board approval. However, the establishment of the Postal and Telecommunications Commissions which employ about one-third of all Commonwealth government employees, has not only drastically reduced the Public Service Arbitrator's coverage of Commonwealth government employees, it has also taken postal and telecommunications employees, on the recommendation of the Vernon Commission, out of the orbit of industrial co-ordination of the Public Service Board. The Department of Employment and Industrial Relations has submitted that under administrative direction since 1956, it has performed the task of co-ordinating the industrial matters relating to wage earners of certain authorities not in statutory relationship with the Public Service Board, and that although the 'full potential benefits' of this arrangement have not been realised, it has proved to be 'reasonably effective in ensuring a common approach' of the management units involved.

9.6.44 We have received no evidence that the multiplicity of staffing arrangements has in practice resulted in notable anomalies in industrial standards and industrial difficulties, although admittedly the evidence relates to the period before the removal of the Postal and Telecommunications Commissions from the control of the Board. There have however been a number of complaints of considerable delays involved in the procedures for determining terms and conditions of employment by authorities in statutory relationship with the Board and from unions involved. (See paragraphs 9.6.46–49) No submissions were received from the group of statutory authorities which have been subject to co-ordination by the Department of Employment and Industrial Relations since the 1950s.

9.6.45 In the section concerned with staffing of statutory bodies we have

discussed the co-ordination arrangement introduced in 1975 to provide a means of ensuring adherence to the wage indexation guidelines in all areas of Australian government employment. This new arrangement provides for decisions to be taken at ministerial level and in some cases this has resulted in the dispute being referred to the appropriate tribunal, the Arbitration Commission or the Public Service Arbitrator. Thus, at present there is a Prime Ministerial directive covering all staff superimposed on the various staffing arrangements. This recent directive provides in effect, for any irreconcilable difference of opinion to be resolved at ministerial level.

9.6.46 The Public Service Board has expressed some concern to the Commission regarding difficulties which it alleges have arisen since the establishment of the Postal and Telecommunications Commissions. The difficulties arise from changes in terms and conditions of employment in these organisations, specifically concerning classification and standard working hours. It has claimed these changes have generated pressures for a flow-on to other areas of Commonwealth government employment. These criticisms from the Board imply that the new co-ordination arrangements discussed in the preceding paragraph represent an inadequate form of control. A different viewpoint has been expressed by the Postal Commission and the Australian Postal and Telecommunications Union (APTU). The Postal Commission[1] refers to the Co-ordinating Committee comprising officers of the Public Service Board and the Department of Employment:

> '. . . the Committee's role tends to be exercised far too slowly and in too detailed and conservative fashion. In this way, its delaying and inhibiting effect is similar to the role of the Public Service Board in relation to Departments.'

The Chairman of the Commission has claimed that delays in establishing new organisational arrangements designed to improve operational efficiency are having a serious effect on staff morale. The APTU expressed strong opposition to any control on industrial matters in the postal and telecommunications area being exercise by the Board.[2]

9.6.47 The managements of statutory authorities which have always been required (by their respective enabling Acts) to obtain Public Service Board approval for changes in terms and conditions of employment had similar complaints; for example, the CSIRO Executive[3] stated that the statutory relationship between CSIRO and the Public Service Board places undesirable constraints on the Executive as a primary employer of a large work force.

9.6.48 The unions which made submissions to us had varying views; it is evident, however, that their response to the question of co-ordination of terms and conditions of employment was related to the scope of their constitutional coverage. Thus, the unions with membership in both departments and statutory authorities (for example, APSA (Fourth Division Officers), POA, ACOA)[4] argued for the Public Service Board to have a statutory power to control terms and conditions in all authorities.

9.6.49 On the other hand, the 'in-house' unions (for example, Snowy

1. Letter, Commission File 75/237.
2. Submission No. 764.
3. Submission No. 362.
4. Submission Nos. 219, 249, 92.

Mountains Staff Association, ABC Staff Association, CSIRO Technical Association)[1] expressed a preference for dealing with local management rather than with both the employing authority and the Public Service Board.

9.6.50 The claims for greater departmental and agency autonomy in the determination of industrial conditions and their presentation to arbitration tribunals is understandable. The need to seek approval from a co-ordinating authority which must necessarily look beyond the individual case to the general consequences of an award, is not only irksome, because it may be restrictive of local initiatives and solutions, but it is also time consuming. However, we believe that some frustration of this kind must be accepted in order to achieve the substantial benefits of some managerial co-ordination of industrial relations throughout the Commonwealth government sector. While we concede the merit in the Vernon Commission's point that it is important for the corporations to be seen as employers negotiating in their own right and on their own responsibility, we think that on balance it is important for the whole area of Commonwealth government employment to have as far as possible a common and co-ordinated approach to industrial matters. It is illusory to believe that the different management units of the Commonwealth government sector can really exercise completely independent policies and practices, because the unions involved and the nature of the occupations necessarily link the different units together. While we would not go as far as the Department of Employment and Industrial Relations' assessment that 'to leave the conduct of industrial negotiations in the hands of the individual managements of the corporations would produce serious leap-frogging in terms of conditions of employment without proper regard to the overall effect, not only on pay and conditions in the Commonwealth government sector but also in the private sector', we believe that there are risks of leap-frogging which should be avoided if possible. This applies to the Postal Commission and Telecommunications Commission no less than to other agencies. The question is how best to achieve managerial co-ordination of industrial relations policy.

9.6.51 The Department of Employment and Industrial Relations has suggested that the Public Service Board should have its charter widened so that it might act in effect as a single employer in negotiations and arbitration representation for the whole of the Commonwealth government sector. A consultative committee chaired by the Department and consisting of the departments and authorities 'which have major problems in industrial relations' should meet and advise the Board regularly. Further, the Department submits, should a conflict between them arise, the policy of the Board as the government employer should be overridden by the government's overall economic policy insofar as this has a bearing on industrial relations.

9.6.52 While there is some merit in this proposal, there is a danger that given the differences in the nature of work in this large area of employment, such an arrangement may encourage the development of procrustean attitudes on the part of centralised management in pursuit of contrived uniformities. There are, of course, staffing matters which need to be dealt with in a highly co-ordinated fashion. For example, in its submission the Commonwealth Bank Officers' Association dealt in some detail with the subject of standards of amenities and

1. Submission Nos. 284, 414, 136.

physical working conditions conceding that too little has been done in this area. The submission pointed out that the Commonwealth government is not bound to comply, as are other employers, with the provisions of State legislation on the standards of shops and factories. The Association advocated that a code setting out minimum standards of office accommodation be established. The Commis-
R256 sion agrees with this proposal and *recommends* that the Department of Employment and Industrial Relations and the Board establish a joint committee with a view to developing a code of standards on amenities and physical working conditions for Commonwealth government employment which should then be given expression in a form binding on the administration.

9.6.53 However, in general our recommendations on staffing of statutory authorities (paragraphs 9.4.9–21) should go a long way towards ensuring consistency in pay and conditions of Commonwealth employees and consequently we do not endorse the proposal of the Department of Employment and Industrial Relations. Pending the implementation of our recommendations
R257 concerning staffing of statutory authorities, we *recommend* that in general the present arrangements be continued subject to a number of modifications:

(a) the Department of Employment and Industrial Relations and the Board should, from time to time, jointly issue guidelines on industrial matters to all statutory authorities. It is important that a unified policy be adopted by these two bodies;

(b) the authorities, subject to the Department of Employment and Industrial Relations' co-ordinating role,[1] should include the Postal and Telecommunications Commissions and any other authority not required to obtain the Public Service Board's approval on the determination of pay and other conditions of work. However, the Department of Employment and Industrial Relations should only have advisory powers in this connection and its deliberations should be greatly speeded up;

(c) any authority, at present subject to the Board's approval, seeking to be freed from this requirement, should have its case considered, and a recommendation made thereon, by an independent person or committee specially appointed for this purpose as the occasion arises. (In this connection we draw attention to our views in paragraph 9.4.14);

(d) the Public Service Board should have the right to intervene before the Arbitration Commission in all cases involving authorities not subject to Board approval to argue the case for or against the claims being pursued;

(e) in respect of departments and of authorities in statutory relationship with the Board, the Public Service Board should be regarded as the 'employer' spokesman in arbitration proceedings, but where there are differences

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1. The term 'co-ordination' is open to a number of interpretations. In particular, it is used sometimes as a synonym for 'control' and on other occasions as something quite different from 'control'. We therefore consider it desirable, in the interests of minimising misunderstanding, to indicate the type of co-ordination envisaged. When referring to co-ordination arrangements we mean a process of mutual adjustment rather than a process whereby a single agency (in this case the Board or the Department of Employment and Industrial Relations) makes an authoritative decision, that is, exercises a veto authority. The Commission would hope that 'co-ordination' processes typically involve negotiation among equals with the interest of all parties being taken into account and the solution which accommodates them all best emerging without central directives.

between a department or authority and the Board the minister should have the right to appear on behalf of the department or authority.

9.6.54 Various unions have complained of the failure on the part of the Public Service Board to negotiate fully and to enter into collective bargaining on differences between the Board and the unions. The Board has denied the validity of these claims and because of time pressures we have not had the opportunity to pursue this matter in any detail. However, while we see difficulties in the Board adopting the collective bargaining styles of the private sector, we believe that it should, as a rule, enter into detailed and exhaustive negotiation with the unions with a view to reaching agreement. We do not believe that our recommendations on means for co-ordination of industrial relations policies in the Commonwealth government sector should hinder the achievement of this objective.

The Structure and Role of Registered Unions

9.6.55 Commonwealth government employment is highly unionised: estimates of the level of unionisation range from 75 per cent to 90 per cent, a fact which can be explained in part by an employer policy of encouraging employees to join registered unions or staff associations. There is an excess of registered employee organisations with membership in the area of Australian government employment. Seventy-three associations represent the 377 000 officers and employees of the Australian government: this means one staff organisation for approximately every 5000 people. However, approximately half of these organisations (36), have a 'mixed' membership and the vast majority of their memberships are employed in the private sector.

9.6.56 There are 37 staff organisations with membership confined to Commonwealth government employment. Membership distribution in this group is extremely uneven. The largest union, the Australian Postal and Telecommunications Union has a membership of approximately 45 000, while the Industrial Registrars' Association has less than 10 members. Two-thirds of the 37 organisations have membership less than 2000, while only 5 have a membership greater than 15 000. In addition, two unregistered staff associations, the Second Division Officers' Association, and the Foreign Affairs Association, have come to our notice.

9.6.57 Superimposed on this is a peak council structure consisting of the Council of Australian Government Employee Organisations (with a total of 22 affiliates); the Council of Professional Associations (7 affiliates); the Australian Council of Trade Unions and the Australian Council of Salaried and Professional Associations. The latter two have 34 affiliates and 6 affiliates respectively which have some of their membership in the Commonwealth government sector.

9.6.58 In addition to great differences in membership size, the organisations also embody a wide range of organising bases; there are organisations based on the divisional structure, and others based on a particular occupation, while a number have membership confined to a particular statutory authority. In some cases there is more than one organisation covering a single occupation and there are a few associations with membership confined to one department.

9.6.59 The large number of staff organisations and the diversity of their membership coverage is the result of registration and membership eligibility decisions of the Australian Industrial Court and the Industrial Registrar. Both

are guided by section 142 of the Conciliation and Arbitration Act which reads:

> 'The Registrar shall, unless in all the circumstances he thinks it undesirable so to do, refuse to register any association as an organisation if an organisation, to which the members of the association might conveniently belong, has already been registered.'

9.6.60 Section 5 of the Public Service Arbitration Act, which permits the registration of unions of less than 100 employees provided they represent at least three-fifths of all employees in that industry, has been a very significant provision because of the number of organisations which owe their existence to it. Thirteen of the 37 unions successfully invoked this section as a pre-condition for registration. In other words, these provisions are responsible for at least 35 per cent of the 37 existing exclusively public sector organisations; the percentage may be much higher when the permissive effect of the narrow definition of 'industry' is taken into account. The decisions granting registration to these organisations have been made over a period ranging from 1912 to 1974.

9.6.61 Within the area of Commonwealth government administration, there are a number of largely inactive unions. They have neither the resources nor the expertise to represent adequately employee interests in an era of increasing staff participation in determination of conditions of employment and policy decisions. Leadership of individual Public Service unions is, in many cases, a part-time occupation: 22 of the 37 organisations with membership confined to the public sector rely entirely on part-time officials and only 10 employ research staff and/or industrial officers.

9.6.62 It is reasonable to ask what functions are being performed by some of the smaller staff organisations in an industrial relations system where wage and salary increases are automatically given universal application, and where negotiations relating to most conditions of employment are conducted by a limited number of associations or peak councils operating through Joint Council. From discussion with the Board and officials of a number of unions, we believe that some of the unions are not equipped to enter into any dialogue with the employer concerning, for example, proposed innovations in personnel policy or practice. In recent years the Board has increasingly confined itself to discussions with peak councils; when opinions are sought from individual unions the response is usually poor. This suggests that individual unions are not able to deal with such requests and that they rely on their respective peak councils to provide the considered reply. Some of the smaller staff organisations rely on outside organisations for research support.

9.6.63 As our research has shown, there are problems associated with large unions as well as with small unions. One source of information was the response to the Career Service Survey.[1] We do not see it as our charter to consider in further detail matters such as representation for minority groups or membership perceptions of their organisations' effectiveness. We hope, however, that the preliminary research we have undertaken may provide a basis for further research and discussion; the raw material is at hand for public sector unions to give these matters the attention they deserve.

9.6.64 The large number of unions has produced a number of problems; it has

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1. See Appendix 3.A, Paper 1.

generated a significant number of jurisdiction and demarcation disputes and increased the work load for the Public Service Arbitrator in the processing and hearing of claims. This point was raised by the Arbitrator in his submission to the Commission.

9.6.65 The number of unions similarly affects the work load of the Public Service Board. When the Board negotiates with the clerical/administrative pay group for example, there are about 8 unions present; in the trades and associated staff pay grouping there are 27 unions involved, 6 in the technical/drafting officers pay group, and 5 in the second division. The Board has commented on the multiplicity of unions and the extent of overlapping membership but has not expressed concern over the consequences which flow from these circumstances.

9.6.66 Within the Commonwealth Public Service there are some long-standing examples of statutorily-based preference being extended to staff organisations with majority membership in a particular class, or with relatively large overall membership; this has applied to representation on Promotions Appeal Committees and on Joint Council.

9.6.67 As well as these statutorily-based preferences there are a number of activities of the Board which suggest that the effect of its policy towards unions is to discriminate[1], if unintentionally, in favour of small or inactive staff organisations. An example is the granting of leave with pay to part-time officials participating in joint management staff association bodies (typically, the small unions have only part-time officials). Also, the assistance given by the Board when it advises organisations about the lodgment of applications for a pay increase and invokes regulation 74[2] to implement the change in pay rates is of benefit to the smaller unions, since they have little or no research and advocacy capacity.

9.6.68 In the interest of more efficient administration of industrial relations, the Commission believes that it would be desirable for fewer associations to operate within the Public Service and Commonwealth government employment generally. To this end we *recommend* the following: R258

(a) the required membership for registration as an organisation under the Conciliation and Arbitration Act should be raised to 1000 and section 5 of the Public Service Arbitration Act enabling associations with smaller membership to be registered, should be deleted;

(b) the Industrial Registrar should actively exercise the discretion under section 143 (3G) of the Conciliation and Arbitration Act to de-register those organisations in the public sector which are defunct or have less than the required membership;

(c) the Board should avoid acting in ways which discriminate in favour of smaller unions;

(d) the Public Service Board, the Department of Employment and Industrial

1. See section 69 of the Public Service Act, superseded by Determination 32 of 1956 and General Order 5/F/1. When employees invoke Determination 32 to attend hearings before the Arbitrator or the Industrial Registrar, they are exercising a right, whereas its predecessor, section 69, involved the exercise of management discretion.

2. This regulation empowers the Board to extend rates of pay or conditions of employment which have been prescribed in a Determination of the Arbitrator to officers or classes of officers not covered by the Determination, for example, to officers who are not members of a registered union. The regulation has also become a device for minimising delays in the total system.

Relations and the peak organisations should enter into discussion about ways and means of promoting the amalgamation of associations and unions and rationalising their jurisdiction in the area of Commonwealth government employment. The abolition of the divisional structure (see section 9.2) which has been the organising base for a number of unions, presents an opportunity for the consideration of membership coverage. We are mindful of the fact that current legislation relating to the amalgamation of registered organisations contains procedural provisions which may have the effect of discouraging amalgamation;

(e) in connection with (d), consideration should be given to appropriate organisational forms and representation on executive bodies of unions as a means of ensuring adequate responsiveness to the voice of minority occupational groups in unions.

9.6.69 Finally, on the question of the internal distribution of decision making power in unions, the Commission notes that in keeping with the centralised nature of the public sector industrial relations system, union rules assign all significant powers to the federal office and severely limit independent action by State and, more particularly, local branches. (This is of course no different from the position in the private sector.) However, we believe that highly centralised organisations are not equipped to pursue and solve local problems adequately and to deal with day-to-day work problems. It is interesting to note that in response to a Career Service Survey question a majority of members in both third and four divisions expressed the view that their organisation was effective in the pay area but considerably fewer recorded a similar level of satisfaction with their achievements in areas such as working conditions, reorganisation of working methods and matters affecting their specific work area.[1]

9.6.70 If more decision making on personnel matters is to be devolved to departments and authorities, it would be desirable for the staff representatives who negotiate with management to have sufficient authority to represent a staff viewpoint without deferring to a higher authority in the union.

9.6.71 Similarly, the encouragement for departments to develop organisational forms suitable to their particular operations, will require diverse systems and processes for personnel and industrial relations functions, including classification, promotion, grievance resolution, staff appraisal, hours of work and job design. In other words, there will be a range of issues which can and ought to be developed, discussed and resolved by local representatives of associations. An example of such an issue is the recent innovation of flexible working hours. 'Flextime' schemes are currently operating in sections and branches of all departments and in a number of statutory authorities.[2] Although the absence of an exhaustive evaluation prevents us from commenting directly on trial schemes,
R259 we *recommend* that favourable consideration be given to the encouragement, on an experimental and adequately monitored basis, of even greater flexibility in the types of schemes introduced.

9.6.72 The question of the arrangement of working hours provides a good

1. See Appendix 3.A., Paper 1.
2. The first department to introduce a flexible hours scheme was the then Department of Labour and Immigration in July 1973, the last being the then Department of Tourism and Recreation in July 1975.

illustration of a personnel issue which could be locally determined; nevertheless, where unions and management are accustomed to a high degree of uniformity in wages and conditions, moves in the direction of local autonomy can be expected to generate some tension between local staff groups and both union hierarchy and management (as represented by the Public Service Board). Our proposal presumes of course that each employing authority would take account of the extent and type of its responsibility to the public. Departments or branches with a high proportion of counter staff for example have markedly differing needs from branches which have no contact with the public and in which there is a low level of staff interdependence. A workable balance needs to be struck between the needs of management, staff and other government agencies. We believe, therefore, that staff organisations will need to redistribute power, subject to guidelines, in response to our proposals for greater delegation of the management and registration of staff to departments and authorities. A failure to allow greater autonomy in decision making and to improve the negotiating skills of local representatives of unions will create a vacuum which may well be filled by more spontaneous and informal local leadership.

Joint Consultation and Experiments in Staff Participation

9.6.73 **Consultation at the national level:** Since 1945 there has been statutorily based joint consultation between representatives of managements and staff associations at a national level. The machinery for such consultation is the Joint Council. The main matters which were raised in submissions concerning Joint Council are:

(a) the possible extension of its jurisdiction to all Commonwealth government employing authorities;

(b) the question of whether the Council should have determinative powers;

(c) its composition. (Recent legislative amendments have eliminated the last item as a source of contention.)

9.6.74 The Joint Council is presently limited to an advisory role on matters affecting employment under the Public Service Act. From 1 July 1975 recommendations made by Joint Council, if accepted, directly affect only about 39 per cent of total Commonwealth government employees. In practice however, many of the conditions agreed upon by Joint Council and endorsed by the Public Service Board are automatically accepted by a number of statutory authorities: the Board is in some statutory relationship with 34 statutory authorities representing approximately 33 000 staff and many of the provisions implemented following consideration by Joint Council are adopted by them. Other statutory bodies take independent account of Public Service precedents and almost all statutory bodies have interest in Joint Council recommendations on such matters as furlough and maternity leave entitlements, the subject of generally applicable statutes.

9.6.75 It is the view of the Commission that, given the relevance of the Joint Council advisory functions to Commonwealth government employment generally, and to ensure economy of industrial relations effort, there should be a change in the coverage and basis of representation on Joint Council to include statutory authorities, especially those whose industrial relations decisions are to be subject to the approval or control of another level of management, that is, the Public Service Board or the Department of Employment and Industrial

R260 Relations. We *recommend* therefore that the jurisdiction of Joint Council be expanded clearly to encompass matters of general interest to Commonwealth government employment but specifically relevant to statutory authorities and that the constitution of Joint Council be amended to include direct representatives of the major categories of statutory authorities. The basis of such representation might have regard to any form of co-ordination of conditions of employment which is brought into operation. Regardless of the form of co-ordination we would envisage that the Public Service Board should appoint no less than three management members representative of statutory authorities. Further authorities might be co-opted to particular committees or be given access in relation to questions of special interest to them. All statutory authorities ought be at liberty to raise agenda items on matters where general government employment practices affect them. Corresponding modifications to accommodate a small increase in staff side representation of the existing confederations might be necessary. It would seem advisable for the Council to consider some system of separating specifically Public Service matters from the more general matters of interest. It may be practicable for such matters to be dealt with by a Committee of Joint Council members, still leaving detailed work to be done by sub-committees.

9.6.76 Several other aspects of Joint Council composition and management were raised. In our consideration of them, we have been assisted by the Public Service Board's Memorandum No. 10, and except where we have said so, we generally agree with the thrust of that document. We note that action has already been taken to vary the membership and representative basis of Joint Council. We think it best to leave the question of further changes to be resolved in light of experience of the operation of the revised body with the functional changes we have proposed.

9.6.77 However, we see merit in the concept that the Council itself ought to exercise greater policy control and direction over the staff resources put at its
R261 disposal and we *recommend* accordingly. The extension of the Council's coverage to statutory authorities would enhance the case for the establishment of a secretariat with a degree of independence from the Public Service Board, and we agree with the Public Service Board suggestions that the Secretariat might undertake a service role in relation to certain research and preliminary development of agenda items. Secondment of staff from the Board's Office, should allow the close relationship between secretariat and Board Office to be maintained. We envisage that members of Joint Council, assisted by the secretariat would play some role in determining appointments to appeal bodies which we have recommended in Chapter 8.5.

9.6.78 The Council of Australian Government Employees Organisations has submitted that Joint Council should be provided with determinative powers based upon consensus decisions. The Public Service Board has expressed the 'strong view' that the Council should continue as a joint consultative body:

> 'It would be inappropriate to vest the Joint Council with determinative powers, which should continue to be vested in the central personnel authority charged by the Parliament with statutory responsibilities in relation to conditions of employment which (as indicated in Part F of the Board's First Submission to the Royal Commission) have close relationships with certain other central personnel functions. Such powers are, of course, exercised within a system of checks and

balances, including access to arbitration. Many of the recommendations of the Joint Council also require legislative action.'[1]

9.6.79 The case for granting a determination making power to Joint Council partly originates from dissatisfaction with delays in implementation of agreed recommendations occasioned by the regulation making process. If the Commission's proposals (paragraph 9.6.17) that the Public Service Board be given power to make determinations is adopted there should be an abatement of the problems of delay. On balance, we have decided against recommending the granting of determinative powers to the Joint Council.

9.6.80 **Consultation at departmental level:** In contrast to the long-standing machinery at the national level, there was, until July 1975, no statutorily based consultation machinery at the level of the individual department or authority.[2] There is however scope for the establishment of consultative machinery in individual departments and authorities by administrative action. Presumably this is what the Board is referring to when it claims '. . . in some departments there already exists various types of machinery for consultation with staff organisations.'[3]

9.6.81 Evidence before the Commission indicates that there is considerable dissatisfaction with management's approach to consultation with staff and staff associations, and a number of organisations have advocated the introduction of formal processes of consultation at departmental level. The Public Service Board has also suggested that there is scope for the development of a Joint Council system at departmental and authority level.

9.6.82 The Commission *recommends* that there be statutory provision for the creation of consultative councils within departments and authorities. The introduction of consultation machinery by legislative enactment is obviously a second-best solution—the ideal situation is characterised by an open, participative management style which, at the very least, regards as mandatory consultation with staff before decisions on matters which have an impact on their work environment. Our recommendation is not intended to detract from recognition of the importance of developing better means of informal consultation, but sole reliance on this means has evidently proved entirely unsatisfactory for many officers and employees of the Australian government in the past. R262

9.6.83 Sole reliance on informal means of consultation probably discriminates in favour of the articulate, the politically skilled and the knowledgeable. For the vast majority of current fourth division officers and employees and those in the lower levels of the clerical/administrative structure, the management-staff dichotomy is a very real one; it is these officers and employees who are least likely to thrive on random, unstructured discussions between staff and management which have no legal authority.

9.6.84 Although the evidence suggests it is vital that there be statutory provision

1. Memorandum 10, paragraph 10.
2. The legislation establishing the Postal and Telecommunications Commissions provides for the creation of Consultative Councils comprising representatives of the Commission(s) and of organisations of officers and employees.
3. Memorandum No. 10, paragraph 37.

for such consultative councils, it is debatable whether the law should stipulate the precise form of the council in each establishment. If departmental heads are given the discretion to decide the means by which the structure and functions of such a council are to be decided upon, it is reasonable to expect those managements whose collective style fails to meet even the most restrained demands of their staff, to opt for centralised decision making on this question. What might be made mandatory is a vote of the staff on the range of options available in relation to such matters as the constitution, subject matter for discussion etc. This course of action has been recommended in the Corbett Report (paragraph 4.33). Such a move acknowledges that a variety of organisational forms call for different types of consultation machinery.

9.6.85 Some of the issues that might be decided in this way are:

(a) how 'management' and 'staff' should be involved, for instance, through parity representation of these two groups;

(b) the basis of staff representation, that is, whether representing staff, staff associations or a mixture of both;

(c) whether the councils should be forums for discussions or a basis for recommendations for decisions;

(d) the range of subject matters. If there is no legal definition of subject matter this may present problems *vis a vis* National Joint Council.

9.6.86 In addition to accepting that there is a need for various forms of staff-management consultation centred on the workplace we regard it as important to define and protect a staff right for representation at management level in
R263 government administration. Consequently, we *recommend* as a general proposition that a staff representative be included in any collegiate management arrangement established in relation to departments or statutory authorities. We have particularly in mind statutory authorities where a collegiate style of management is used, and our recommendation on this can be found in Chapter 4.4. However, there are instances of use of collegiate management styles in departments,[1] and inasmuch as these become more common, attention should be given to direct staff representation. We would exclude from this recommendation the Public Service Board although we see merit in at least one member of the Board being appointed from persons with a staff representative background.

9.6.87 We recognise that there are many unresolved issues surrounding our recommendation for staff representation:

(a) how are staff representatives to be elected?

(b) what will be the tenure in office?

(c) will the representative's role be merely to consult with management on staff issues or will it be to share managerial decision making responsibility?

We are not in a position to give definitive answers to these questions and suggest that they be the subject of further thought both within unions and management as well as at political levels. The Commission doubts whether in all cases there is as yet a widely shared understanding of the role of such representatives. Recent innovations provide a basis for the development of such understanding by staff, unions and representatives. We would see the clarification of the role, form and ethics of representatives as a matter of priority for those unions which advocate or

1. See Chapter 4.3.

have achieved such representation.[1] Clearly also there is a case for allowing staff and management in different government organisations jointly to develop their own plans for staff representation. There are already different examples of staff representation existing within government employment, for example, Environment, Housing and Community Development, the Australian Broadcasting Commission, and the Postal and Telecommunications Commission.[2] A number of, but not all the experiments, maintain a division between staff participation in management and staff participation in overall policy formulation. While such a division may be a useful concept, as indicated in Chapter 4, it is difficult in practice to observe the distinction. Certainly there can be no derogation from the minister's responsibilities over policy.

1. We note particularly the submission of the Commonwealth Bank Officers' Association (No. 475), which raises this matter.
2. See Appendix 3.L, Changing Organisations.

Chapter 10 Special Problems of Administration

10.0.1 Our discussion and recommendations so far have necessarily been pitched at a fairly high level of generality. However, some areas of the administration encounter special problems which general solutions can only meet in part, or can meet only after emphasis is given to particular elements of the general solutions. In this chapter we examine some special activities to which our attention has been directed. We have approached them by seeking in the first place to apply the broad principles which underlie the general recommendations in previous chapters. The subjects now chosen for discussion—the administration of economic policy, science, health and welfare, foreign policy, and policies for aboriginals and women—have been raised in a number of submissions in ways which have suggested the need for special reappraisal. Finally, in section 7 of this chapter, we bring together a number of ideas relating to the function of information within the administration and its relationships with other instruments of government and with the community. These supplement the numerous specific references to the role of information made in earlier chapters.

10.1 ECONOMIC POLICY

10.1.1 Submissions and other material before the Commission made it clear that there was widespread dissatisfaction with existing means for the formulation and co-ordination of government economic policy. Ministers and ex-ministers, business men and trade union leaders, academic economists, and officials of departments and agencies within the bureaucracy all voiced criticisms. While, not surprisingly, the content of the criticisms varied, one set of themes tended to recur. It was argued that the Treasury held a substantial monopoly as the source of economic and financial advice and that, partly as a consequence, it had developed an almost doctrinal attitude about the theoretical basis on which policy should be developed. This, it was suggested, had led to its being insensitive to government priorities; to a failure to present ministers with a full range of options; to an isolation of policy from the influences of other departments, of professional economists outside government, and of the community—especially those sections of it actively engaged in production and commerce. While the Commission accepted that this criticism, certainly in such a bald and oversimplified form, was at least exaggerated, it could not ignore the strength and persistence with which it emerged.

10.1.2 The Commission is conscious that the outcome of economic policy decisions is unlikely to be universally acclaimed. Most people see the economic system primarily as the context within which their own activities are conducted, and will tend to judge the success of its management by the way in which they feel it affects those activities. It is unlikely that any policy, however enlightened, will satisfy the more optimistic expectations. Consequently economic policy, and those who advise about it, are likely to become the scapegoats for failures wholly

unrelated to it. Furthermore, economic policy decisions can rarely, if ever, be based on wholly technical considerations. Any decision will have a different impact on different individuals, groups, and sectors within the economy. It will require the government to take account of essentially political considerations—of who gains and who pays—and to consider its own willingness and capacity to accept the electoral consequences.

10.1.3 Therefore, whatever the changes in the means of developing policy, and however significant the resulting improvement in performance, economic policy is likely to continue to be a focus of discontent, and those who advise the government about it the butt of criticism. The Commission consequently feels it must be cautious in assessing the scope for improvement as the result of organisational changes. The need for caution is further emphasised by the fact that the effectiveness of any government's economic policy is limited by a number of factors which are outside its control—the gaps in our understanding of the interplay of economic forces, the unpredictable lags in the manifestation and identification of economic problems and in the operation of remedial measures to deal with them, the dispersal of powers of economic decision-making inherent in our federal system, and the effects of international economic forces. The significance of these constraints will be given little weight by those who are dissatisfied with the outcome.

10.1.4 However, the Commission was aware that other countries have established more complex patterns of organisation from which to develop economic policies. It felt that there would be value in commissioning a study of the experiences of some of those countries, and widely based discussion of the relevance of the study to the Australian scene.

10.1.5 Accordingly, it commissioned Dr W. E. Kasper, an economist with wide experience in Europe and America, to examine models offered by other countries which could be relevant to Australian conditions. His report was widely circulated and became the starting point for vigorous debate. To ensure that it benefited fully from that debate, the Commission established a task force to review existing procedures and machinery and to make recommendations to remedy any deficiencies. The report of the task force was published, and the Commission received comment on it from interested organisations, groups and individuals.[1] This section of our report seeks to take account both of the work of the task force and of the response to it by those actively engaged in and directly affected by the outcome of economic policy formulation.

10.1.6 The task force identified a number of issues and made recommendations in relation to them. While noting that, for the most part, Australian economic policy over a period of decades appears to have been reasonably effective, the task force nevertheless judged that the inadequacies 'are important and at times critical'.[2] We turn now to consider what we believe to be the more important issues raised by the task force in this connection.

Ministerial Involvement

10.1.7 The task force rightly stresses that:

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1. The conclusions and recommendations of the Task Force and of Dr Kasper's paper are reproduced in Appendix 4.A.
2. Report of the Task Force on Economic Policy—paragraph 14.15.

'. . . consideration of the machinery of Government needs to start from the way in which broad objectives, priorities and policy directions of government are determined and Ministerial decisions taken. These will reflect the platform values of the party in power and, in the light of new and developing community attitudes of emerging issues and problems, relate them to the available resources and program possibilities'. (14.21.)

And it is of the view that:

'. . . There is lacking an explicit, systematic approach to developing a framework of goals and objectives, and priorities among programs, within which economic policy decisions are to be taken . . . Also lacking is a machinery whereby such a framework can be established or reviewed, though steps have been taken recently towards this end.

These gaps make it difficult to identify problems ahead of time, to gather the necessary information, and to analyse the various options open and their implications. It makes the assessment of costs and the alternatives foregone a hazardous and inexact procedure. It leaves unclear the trade-offs between short and long term objectives. It makes it likely that co-ordination procedures will be deficient. It also tends to lead to a public discussion which is confused and misdirected'. (14.17–18)

10.1.8 The Commission has emphasised throughout this Report that the determination of objectives and the setting of priorities are essentially political functions and must be performed in ways which effectively involve ministers. In Chapter 3 we argue that these tasks can be carried out realistically and effectively only within a budgetary process in which the competitive nature of diverse government objectives is acknowledged and their priorities assessed by ministerial bargaining in which there is continuous interplay between the political authority of ministers and the experience and knowledge of constraints which officials can bring to bear on that process. The Commission envisages this budgetary process being conducted in the first instance, and indeed primarily, in the context of the formulation and adoption by Cabinet of Forward Estimates of the expenditure and manpower to be employed.

10.1.9 In the next chapter, we discuss in greater detail the preparation of Forward Estimates and the budgetary process involved. In that chapter, we emphasise the role of two ministerial committees, the Economic Committee and a smaller sub-committee, in establishing the government's objectives and priorities in the formulation of the size and content of the Forward Estimates. Governments will differ in their judgment about the precise structure of ministerial committees which will best serve their purposes. The references in this Report will be predominantly to the structure adopted by the Fraser Government. No significant changes in principle would have been involved for the Commission's recommendations in this part of its Report if we had based them on the structure existing in the latter stages of the Whitlam Government. The sources of economic advice to these committees will obviously play an important part in the outcome of the processes.

Sources of Advice

10.1.10 The task force drew attention to the commanding position at present occupied by the Treasury as against other departments as a source of economic advice. The Treasury, in their comments on the task force report, point out that a mere duplication of agencies assembling essentially the same data, analysing

them from the same theoretical standpoint, is unlikely to produce a significantly wider choice of strategies. Indeed, given the scarcity of good quality economic staff, the effect of dispersing them between several agencies may well be to reduce their effectiveness. There is merit in this argument. Our proposals are therefore designed not to duplicate economic advice unnecessarily but to spread the sources of advice in a way which will ensure that, as far as possible, the viewpoints of those involved in different aspects of the economy and those who see the economy as a whole from a different viewpoint and with a different time horizon are presented to the ministerial committees. Such an arrangement would provide the basis for a more balanced range of advice and at the same time reduce the probability of one source of advice or one analytical or conceptual set of principles becoming unduly dominant.

10.1.11 Our proposals in Chapter 11.2 about the preparation of the forward estimates and the budgetary process emphasise the important role of the Treasury in these matters. Consequently the Treasury will continue to be a primary source of advice, especially in relation to relatively short term macro-economic management. However advice on this aspect of economic policy must be based on the behaviour of aggregates involved in the social accounts for the economic system as a whole. It will tend to be less concerned with the changes in the industrial pattern of the economy as it evolves in response to domestic and international stimuli, particularly the slower, longer term changes. We have thought it important therefore to consider ways of ensuring that structural changes are constantly under review, and brought to bear on economic policy considerations. For this to be done effectively we consider it necessary that there should be within the administration a focus of knowledge and understanding of the structure of the economy as a whole which will balance and complement that of the Treasury.

10.1.12 At present no such focus exists. While there is in each of the various departments concerned with the problems and interests of sectors of the economy (for example, primary industry, manufacturing industry, national resources) a wealth of detailed knowledge about its particular sector of activity, there is limited awareness of the inter-relationships between those sectors. The Industries Assistance Commission (IAC) has over its years of experience begun to lend some coherence to these partial views and the ways in which they are inter-related. In particular, the IAC has recently taken the initiative, in association with the Department of Employment and Industrial Relations and other departments and agencies, to commission a study of the industrial structure of the economy (the IMPACT study), designed to bring together available data in systematic form so as to throw light on the problems of allocating resources between component parts of the economy (including the allocation between the public and private sectors), as well as on other aspects of economic policy. We are satisfied that an understanding of these structural issues will provide insights capable of contributing to the coherence of economic policy, and that the formulation of a structural model of the kind contemplated by the IMPACT study could contribute to such understanding.[1]

R264 10.1.13 We *recommend* therefore that there be a department, which might be

1. See Appendix 4.A, Paper 3, Improving Information Inputs to Policy Advice and Co-ordination.

named the Department of Industries and the Economy (DINDEC), having the capacity to concern itself mainly with the medium and long term aspects of the industrial structure of the economy, and to act as the prime source of advice bearing on these aspects of economic policy. We emphasise that the rationale of this recommendation is not to provide a second source of advice on all economic policy issues. It is rather to ensure that particular advice and information at present lacking would be available from a department best suited to supply such advice and information. DINDEC would be the source of forward looking economic intelligence, particularly as it relates to structural developments within industry. Its concern would be with persisting and developing changes rather than with short term macro-economic fluctuations; its time horizon would be medium and long term; the policies with which it would be concerned would be those designed to exercise their influence progressively and often indirectly. Its contribution would therefore be qualitatively different from that of the Treasury but would frequently bear on the same issues. Together the two departments would assist ministers to take a more balanced view of the economic issues before them. On occasions, because of the different time horizon and different emphases in their respective views of the economy, they would advocate different courses of action—thus genuinely widening the range of choice available to ministers.

10.1.14 Such a department, to be effective, would need to develop both political and administrative authority. It could perhaps be developed from the present Department of Business and Consumer Affairs, but changes would be necessary to emphasise its more comprehensive role. In particular its responsibilities for Customs should be transferred to another portfolio, perhaps in association with Taxation. We *recommend*: R265

(a) that the Department of Industries and the Economy (DINDEC) be the responsibility of a senior member of Cabinet who would also be a member of the Economic Committee of Cabinet and of the Committee which co-ordinates departmental submissions on Forward Estimates and Budget bargaining;

(b) that the Minister for DINDEC preside over a group of ministers responsible for industry sectors and have responsibility for co-ordinating their policies and expenditure plans;

(c) that those statutory bodies with regulatory and investigatory functions affecting industry such as the IAC, the Trade Practices Tribunal and the Prices Justification Tribunal be attached to DINDEC;[1]

(d) that the Foreign Investment Board of Review also be primarily responsible to the Minister for DINDEC, although it should continue to be served by Treasury also in so far as financial and balance of payments considerations are involved;

(e) that the Permanent Head of DINDEC be chosen from officials with an appropriate background of economic training.

10.1.15 The restructuring envisaged in the preceding paragraphs would reduce the need expressed by the task force for alternative sources of advice to be built up, especially in the Department of the Prime Minister and Cabinet. Of course that

1. See paragraphs 10.1.34–37 for a discussion of the relations between these and other statutory bodies concerned with economic policy.

Department, as the Prime Minister's immediate adviser and in the light of its co-ordinating function, especially in relation to Forward Estimates and in providing the secretariat to the Cabinet Economic Committee (see Chapter 11.2 and 11.5), will have an important role in linking the financial and economic considerations with the government's political objectives. Some development of its economic capacity would be necessary for these purposes, but it could still be seen as essentially supplementary to that of the Treasury and the Department of Industries and the Economy.

10.1.16 The development suggested would, it seems to the Commission, reduce the need for and probably make unnecessary any major division of the Treasury as contemplated by the task force and suggested by a number of persons critical of the Treasury. Although for reasons more fully explained in Chapter 11.3 we have been gravely concerned at the widespread criticism of the Treasury and indeed of the hostility towards it, and have therefore considered ways of distributing power and influence more widely within the bureaucracy, we are satisfied that an attempt to divide responsibility for economic policy from that for the formulation of the Budget (and therefore from a major influence on the Forward Estimates processes) would either fail (as it did in the United Kingdom) or greatly weaken the effectiveness of economic policy. We have therefore sought other ways to reduce the 'monopolistic' character of Treasury.

10.1.17 The importance of adequate understanding of the state of the economy and its analytical basis applies to most departments because of the economic
R266 implications of their activities. We therefore *recommend* that there should be regular briefings by the Treasury of the economists of these departments on the economy as was suggested by the task force.[1] We agree also that the discussions on such occasions would not be fully worthwhile without disclosure of the analytical bases and other relevant information, including quarterly national income forecasts, on which Treasury's evaluation of the state of the economy usually rests,
R267 and *recommend* that these should be made available to departments participating in these discussions. The Commission notes the danger of leakage of confidential information in such an arrangement but we believe that in view of the advantage to be gained from such discussions, this is a risk that should be taken. At longer intervals, similar briefings directed to influences affecting the changing structure of the economy might be undertaken by DINDEC.

10.1.18 The Reserve Bank is entrusted with the implementation of monetary policy, which is formulated in conjunction with the Treasurer. The Reserve Bank Act provides that, in the event of disagreement between the Treasurer and the Bank, the view of the Cabinet shall prevail. There is generally close contact between Bank and Treasury officials. The Secretary to the Treasury is a member of the Bank Board and, by convention, the Treasurer is briefed regularly by the Governor of the Bank on the economic and monetary situation as he and his Board see it.

10.1.19 However we believe that it would be desirable for the Governor of the Bank to have an opportunity to provide directly to ministers his views on the state of the economy, together with his advice on the direction and thrust of economic
R268 policy. Consequently, we *recommend* that the Governor of the Bank should have

1. Task Force Report, paragraph 9.49.

direct access to the Economic Committee of Cabinet, on a regular basis. We also *recommend* that he should have direct access to the Treasurer and the Prime Minister as he considers necessary. Such an arrangement would ensure that finer points in the economic analysis and prescription emanating from the Bank may be communicated and discussed orally and directly with the members of the Economic Committee rather than by letter or indirectly through the Treasurer. The availability of this regular alternative source of advice, particularly on monetary policy, should also help weaken concern about undue Treasury dominance in economic policy making. This arrangement would, of course, in no way detract from the principle embodied in the Reserve Bank Act that the government rather than the Bank should have the final right of direction in aspects of monetary policy which that Act entrusts to the Bank. R269

Informed Public Discussion

10.1.20 Informed analysis and discussion on economic policy should take place outside as well as inside government departments. We believe that the government and certain agencies within the administration, such as the Treasury and the Australian Bureau of Statistics, have a special responsibility to provide the means for a high level of public understanding and debate on economic policy. The task force has put the matter in the following way:

> 'Our assessment of the adequacy and effectiveness of the policy-making process will, therefore, have underlying it a number of presumptions in favour of:
> (1) as high a degree as possible of openness in the decision-making process.
> (2) an effective and informed debate within and outside the decision-making machinery on economic policy issues.
> (3) a meaningful two-way consultation process on economic policies between government and community interests.
> (4) a capacity for taking a longer-term and wider view of economic developments and the social perspectives within which they will occur.
> (5) a systematic process of appraisal of past policies and their effects.[1]

10.1.21 The formation recently of the Economic Consultative Group, consisting of persons from both sides of industry, as a regular channel of communication with the Prime Minister, Treasurer and other ministers is a step in the right direction. It should go a long way towards meeting criticisms of the shortcomings of the pre-budget consultations procedure.

10.1.22 We have considered the merit of proposing publication of official short and longer term forecasts of national income, levels of production and the like. At present, only the Melbourne Institute of Applied Economic and Social Research, and in a more restricted fashion, the Flinders University Institution of Labor Studies, publish such forecasts. The Treasury, in conjunction with the Reserve Bank and the Australian Bureau of Statistics, prepares quarterly forecasts, but these are regarded as confidential and have very limited circulation. The Treasury has argued against the publication of its forecasts on the grounds that they may well mislead those who lack the experience to be aware of limitations on their significance, and that if they are pessimistic they may be self-fulfilling. The forecasts embody much judgment in the values fitted into the forecasting model and we accept that for this reason along it would be unwise for the

1. Paragraph 6.57.

Treasury's own forecast, from which its economic advice to the Treasurer may be inferred, to be made public.

10.1.23 However, we believe that there is merit in the proposal in the task force's report (paragraph 9.73) for a separate semi-independent group within the government machinery to prepare and publish estimates. Because of nature of its staff and other resources, and because it is not involved in advising on economic policy, the Australian Bureau of Statistics would seem to us to be the most appropriate location for such a unit. But to distinguish the work of this unit from
R270 the Bureau's generally more factual publications, we *recommend* that a research unit under the charge of a Research Director be re-established within the Australian Bureau of Statistics and entrusted with the task of publishing regularly national income and other (employment, investment, etc) *projections* derived from a formal econometric model whose specifications should be described in appropriate publications. This would leave the Treasury and indeed other agencies, public and private, with the task of preparing their own *forecasts* which would take account of actual and anticipated policy changes and other factors not incorporated in the model. It would be possible for private enterprises themselves to make (on the basis of the Bureau's projections) their own forecasts, influenced by their own judgments and the special knowledge to which they may have access.

10.1.24 The projections of the Bureau of Statistics' Research Directorate would be supplemented by the publication of estimates from other models, such as those referred to in the previous paragraph. These might in due course be supplemented by publishing the projections of the models designed by the Reserve Bank. Such a development would gradually reduce popular misconceptions about the prophetic quality of such projections. They would then be seen as one of a number of useful tools of economic policy and of informed discussion. Their existence would also remove an unnecessary source of hostility and suspicion provoked by non-disclosure of official forecasts.

10.1.25 There are limits to the extent that economic analysis and advice emanating from the administration can be made public without government commitment or embarrassment. It is necessary, therefore, for additional sources of continuing economic analysis by independent bodies outside government to be undertaken and publicised.

10.1.26 The Melbourne Institute of Applied Economic and Social Research and the Flinders University Institute of Labor Studies fill this role to some extent, and they deserve more financial support to enable them to upgrade their work. A number of private banks publish useful though more limited analyses of the economy. But there is need for an additional body whose work and voice would command general attention from the public and from those in government departments advising on economic policy. In the words of the task force:

> 'An alternative and continuing consideration of the issues by means of expert investigation and analysis of the issues, from outside the government system is highly desirable: it enhances the quality of advice being generated externally by bringing a wide range of minds to bear on problems; it improves the quality of advice by making the internal advisers respond to other views; it raises the

general level of public discussion and debate; and it achieves a more receptive public attitude.'[1]

10.1.27 The task force considered a number of possible arrangements and concluded that:

> 'While a variety of possible models would serve to meet most of the needs in the Australian context, we see as coming closest to the ideal an Economic Advisory Council established as a statutory authority under either the Treasurer or Prime Minister, with freedom to publish and to determine the matters on which it can investigate and report. This would comprise:
>
> (1) three distinguished economic experts, a full time Chairman and two part time members—constituting an Economic Advisory Council;
>
> (2) a Consultative Board on Economic Policy, made up of about 12–15 persons of standing drawn from trade unions, business, the Public Service and Universities. The Board would have the opportunity to discuss the Council's work program and the results of its research before publication; it would not be committed to the published views, nor would it prevent publication after its comments had been given;
>
> (3) a small but good quality secretariat many of whom would be seconded from the Public Service and Universities for periods of up to 2–3 years.'[2]

10.1.28 The Commission is greatly attracted to this proposal. For the government to set up and finance such a Council, which would be intensely 'political' and which could at times be at variance with its own pronouncements on the state of the economy and could make critical *ex post* evaluations of economic measures taken by the government, calls for considerable political courage. We believe, however, that in time such an arrangement will be seen not only as a proper institution in a democracy but also a means for improving the understanding and thereby the performance of the economy.

10.1.29 Although we strongly support this proposal of the task force, it is clear that its implementation depends critically on the availability of a sufficient number of economists who would command the confidence of both the government and the public. This problem may not be resolved speedily. A possible economy, given scarce resources, would be to appoint a single senior Economic Counsellor, and enable him to draw on information and analysis available to him from various sources. Such a Counsellor would desirably be appointed for a short term—perhaps not exceeding three years. However, the question of raising the level of public debate on economic matters is too important to be left in abeyance indefinitely. R271

10.1.30 If the problem of assembling the Economic Advisory Council is judged too difficult, its functions could in part be performed by the Research Directorate of the Australian Bureau of Statistics. Whether or not the Council is established, we *recommend* that the Australian Bureau of Statistics be given increased research responsibilities. In addition to publishing the national income projections, the Directorate should publish normally once a year and preferably before the Budget, a report on the state of the economy, which would throw light on the effects of economic measures taken by the government. We see this report as R272

1. Paragraph 6.34.
2. Paragraph 13.42.

superseding the Economic Survey which until 1973 the Treasury published annually. Because the Directorate is not involved in economic policy advising, it is free from the difficulty which faces Treasury or any other department in publishing reports and evaluations which do not simply reflect government policy and pronouncements.

10.1.31 The Bureau of Statistics' Research Directorate should be in a position to draw on the considerable and under-used talents of the Bureau, and to supplement them by short-term secondments of economists and statisticians from other departments, including the Treasury and DINDEC and the universities. The Directorate should have an unfettered right to publish. It should be possible also for signed papers to be published by those attached to or commissioned by the Directorate on a variety of economic questions on which adequate analysis is not available to the public. To ensure that the Australian Bureau of Statistics has, and
R273 is seen to have, this independence, we *recommend* that it be removed from the general oversight of Treasury and linked with a more appropriately 'neutral' department, such as the present Department of Administrative Services.

10.1.32 The Consultative Board on Economic Policy proposed by the task force (see paragraph 10.1.27 above) could operate in conjunction with the Bureau's Research Directorate. Members of the Board would be appointed by the government for a period of two to three years; there is no reason why the Board should not include members of the recently formed Economic Consultative Group.

10.1.33 The papers and publications of the Directorate would provide the means for an informed discussion by the Board in which a variety of public viewpoints would be brought to bear on critical economic issues. In particular, we see special value in holding such discussions before the publication of the Directorate's report on the state of the economy to enable early drafts of such reports to be discussed. The responsibility for the reports would, of course, rest entirely on the Directorate. The Board could also perform a useful function in suggesting areas of research to be undertaken by the Directorate.

Co-ordination of Statutory Authorities

10.1.34 It was put to us by Mr G. A. Rattigan[1] that, in view of the large number of statutory bodies operating in the area of economic policy making, it would be desirable for them to have 'a common and explicit framework of policy objectives to provide overall guidance for the work of these bodies; and, second, each authority should be required to report on its work annually in terms of both its specific objectives and this broader framework'.

10.1.35 While it is important for the different statutory authorities to work in ways consistent with the government's economic objectives, we see difficulties in establishing a 'coherent framework of policy objectives' applicable to all such bodies which is neither so broad as to be meaningless nor so narrow as to be too restrictive for their effective operation. However, we believe that there is much advantage to be gained from periodic examinations of the stated objectives of the various authorities which are not subject to direct ministerial control, appraising them in the light of their performance and the current objectives of the government.

1. Then Chairman of the Industries Assistance Commission, in Submission No. 217.

10.1.36 The absence of any stated objectives, as for example in the case of the Prices Justification Tribunal and the Australian Wool Corporation, need not necessarily mean that these authorities are working inconsistently with the government's economic policy. Thus, in the case of the Prices Justification Tribunal, the government's policy can be put to the Tribunal from time to time in proceedings before it. Nevertheless, we *recommend* that as a rule it would be wise for each statutory authority to be given explicit objectives to guide its activities, thus enabling the public, especially those dealing with the authority, to know what its charter is. The general problems associated with including objectives in the Act setting up a statutory authority are discussed in Chapter 4.4. R274

10.1.37 We *endorse* the recommendation of the task force's report (12.63–65) that, to ensure consistency in the activities of statutory authorities concerned with broad economic issues, it might be beneficial for such authorities to be under the charge of one minister, or if this is not possible, for the terms of reference of the Standing Interdepartmental Committee on Industries Assistance to be widened to include the examination of and advice on statutory authority objectives. The attachment of the Industries Assistance Commission, the Trade Practices Commission and the Prices Justification Tribunal to the Department of Industries and the Economy (see paragraph 10.1.14(c) above) seems to us to be entirely proper. R275

International Economic Relations

10.1.38 In its report, the task force pointed to the increasing importance of international economic relationships, particularly in relation to finance and resource policy. It noted that the Department of Foreign Affairs had sought to overcome the problem with proposals designed to extend its influence and control over the field of international economic policy. The Commission's view is that primary responsibility for the discharge of particular functions in the international field must rest with the relevant minister and department, just as in the domestic field. Thus in the field of international economics, primary responsibility must be with Treasury and DINDEC, except where the responsibilities of functional departments such as Overseas Trade, National Resources and Primary Industry are dominant. The Department of Foreign Affairs should, by having sufficient capacity to understand the issues, ensure that responsible departments are fully informed and advised on relevant international political considerations, and that where Australia's interests require reconciliation between international economic and other considerations, it is able to assist in the process.[1] The Commission is inclined to accept the view expressed by the Department of Foreign Affairs in comment on the task force report that the real problem is not so much that the Department fails to give sufficient weight to economic considerations in formulating foreign policy, as that specialist departments have a natural tendency to overlook other Australian national interests for which they have no responsibility. The establishment of committees and task forces when major problems arise is probably the appropriate response.[2]

10.1.39 However the Commission believes that some of the difficulties of giving coherence to the work of responsible departments in the international field derive from the absence of any statement of the government's broad approach to

1. See also section 10.4, Forming and Executing Foreign Policy.
2. See paragraph 10.4.18.

international economic issues. The Commission considers that there would be value in the establishment of a task force to prepare for wide discussion a Green Paper on Australia and international economic issues, and that after a period of debate the government should issue a White Paper as a guide to departments and
R276 to interests in the private sector likely to be affected. We *recommend* accordingly.

Economic Research

10.1.40 As we noted earlier, the effectiveness of economic policy depends among other things on adequate information and understanding about the economy as a whole and its various parts. The role of economic research in this connection needs no justification. However, apart from financial considerations, there is a shortage of competent economists and statisticians to undertake such research and the proliferation of research units could lead to a diffusion of economic talent and reduced research output. It is necessary, therefore, for research potential to be properly harnessed.

10.1.41 The task force has set out certain principles and guidelines on the form and operation of government research bodies (paragraphs 13.14–29). These are broadly in line with the recommendations made concerning research bureaux in Chapter 4.3, and are therefore endorsed by the Commission.

10.2 SCIENCE AND GOVERNMENT

10.2.1 The Commission received over fifty written submissions from organisations, groups and individuals employed in scientific activity of one sort or another for the Commonwealth. These submissions were supplemented by oral evidence and by discussions during a series of visits to selected scientific establishments. Generally this information left with the Commission an impression of a widespread deterioration of morale and a sense of frustration among scientific personnel, at all levels, other than those in the Commonwealth Scientific and Industrial Research Organisation (CSIRO). Common themes of criticisms were:

(a) that Public Service managerial, financial and personnel practices were unsuitable for the conduct of scientific and technological work;
(b) that the Public Service does not offer an adequate career structure for scientific and technological personnel;
(c) that there are inadequate opportunities for mobility, retraining and other means for scientists to adapt themselves to changing demands of scientific work;
(d) that opportunities for travel and other forms of intra- and inter-disciplinary stimulus were unduly restricted.

10.2.2 More generally, there were doubts as to whether the decision-making processes in government science were likely to ensure a reasonable balance between the needs of the administration and professional interests of scientific personnel; questions about relevance of some work undertaken to meet general and long-term social needs and objectives; and other questions about the weight to be given to the more immediate benefits obtainable by concentration on the current problems of users of science in, for example, industry and defence.

10.2.3 In other words, the evidence suggested that the problems of identifying and stating objectives and their priorities, of allocating responsibilities, of

developing and delegating authority to make decisions, of assessing results, and of providing for appropriate forms of accountability, presented distinctive difficulties in scientific activity and that procedures within government employment were unsatisfactory to many of those involved.

10.2.4 The Commission decided, therefore, that it should establish a special task force of members with diverse experience of different aspects of science and its administration to study these matters in more detail.[1] The task force report was published in January 1976 and comment was invited from a wide range of interested parties, including the administrative heads of Commonwealth agencies responsible for the activities reviewed. This section of the Commission's report reflects its response to the evidence submitted, to the judgments of the task force and to comments on it.

Background

10.2.5 The Commonwealth government has financed and administered scientific activities since shortly after Federation. Beginning with meteorological and analytical services, it moved to the establishment between the wars of the Council for Scientific and Industrial Research. This major initiative derived in part from a recognition of the existing and potential contribution of science to agricultural and other rural production. Under the guidance of Sir George Julius and Sir David Rivett (first and second Chairmen of the Council), individual and working groups of scientists were given considerable freedom to choose the lines of their inquiries and to design their conduct. Fundamental research was undertaken, as well as applied studies. It was in this period that the 'culture' or 'ethos' of CSIRO to which the task force refers was established and confirmed. Subsequently the expansion of Australian secondary and extractive industries, the war effort and associated defence interests, advances in the scientific bases of medicine, the advent of nuclear energy, the rapid development of telecommunications and the surge of mineral discoveries provided stimuli to which successive governments responded with greater allocation of resources and some institutional changes. Scientific activity in Australian government thus continued to expand markedly during the 1950s and 1960s. Since then, as in most western industrial countries, there appears to have been a period of consolidation, with an attendant contraction of job opportunities for scientists both inside and outside Commonwealth employment.

10.2.6 Apart from its own activities, the Australian government has, through its support for universities and other tertiary educational institutions, its provision of finance for grants to a range of research workers and its support for research in industry, been responsible for maintaining scientific work of considerable diversity, ranging from 'pure' research through applied research and development to the provision of 'scientific services' to industry, commerce, consumers and the community generally. The growth of these forms of support for science largely outside government has, until recently, sustained an increasing aggregate Commonwealth expenditure on science.

The Rationale for Government Support for Science

10.2.7 The justification for scientific activity is twofold. First, the study to comprehend the universe in which we live and of which we are a part, in all its

1. The membership, terms of reference, and main conclusions of the task force can be found at Appendix 4.B, together with responses to the task force's report.

grandeur and complexity, is seen by many as one of the noblest and intrinsically worthwhile of human activities. Like the arts, scientific activity is one of the graces of life, and its presence as an aspect of a particular society is seen as a mark of civilisation commanding respect from other societies. Since this activity can no longer be effectively performed by the wealthy amateur, a civilised community will, it is argued, properly support it.

10.2.8 Secondly, science is seen as materially useful: indeed, as the source from which has flowed the vast growth in man's capacity to produce, transforming the natural resources of his environment into an ever-increasing flow of goods and services for the improvement of his material welfare. Linked with this justification is the profound impact of science on defence.

10.2.9 It was in the pursuit of science as a self-justifying activity that the scientific community referred to by the task force first came into existence and developed its ethos based on universalism, community, disinterestedness and organised scepticism. It was here, too, that there developed the concept of scientific 'autonomy'—individually at the laboratory level and as a community setting its own objectives, applying its own tests of performance and establishing its own forms of accountability and characteristic rewards.

10.2.10 However, it was the same community of scientists, accepting the same ethos and working with the same autonomy, which produced the knowledge from which came the material benefits often cited to justify scientific activity. The overall success of scientific endeavour has, not surprisingly, been used to justify the continued autonomy of scientists at work individually and corporately, and to support claims for a greater allocation of resources. The argument is persuasive, at least in relation to research originating within science itself. Even in such work, of course, motivations are complex. An individual scientist will probably be driven by a combination of scientific curiosity, desire for esteem of his scientific colleagues, an urge to improve man's material welfare, and worldly ambition.

10.2.11 It is impossible to be sure which of these motives is (or are) the prime source (or sources) of the creative energy from which come the innovative idea which is the mark of success. It can however, be said that organisational forms which limit autonomy do not necessarily impair the effectiveness of any of these motives except that of scientific curiosity. Activities derived from this motive are of their nature unpredictable, and material benefits from them cannot be anticipated with any precision. In effect, it seems to the Commission, the scientist's claim for autonomy is in essence a claim that he should be given scope for his scientific curiosity to guide his work, at least to the extent that his general field of work appears (to him and his colleagues) to call for it. There would be a substantial consensus that this scope is necessary in 'pure' research.

10.2.12 The avowed purpose of most government science is rarely pure research. It is usually directed to specified material purposes. CSIRO was established to provide a basis for the growth and increased productivity of industry; the Weapons Research Establishment to make possible the design of more effective military equipment; the Atomic Energy Commission to solve the problems of the use and safety of nuclear energy; and so on. Do the arguments for the characteristic environment, for the 'culture' and 'ethos' of science, and for the autonomy claimed by scientists for research into science-stimulated problems apply also to research undertaken specifically to meet the needs of actual and

potential users? The same question must be asked with greater force as science-based work proceeds from pure research through applied research and technology to the 'development' end of the 'research and development' scale. It is most difficult to answer when the work is intended essentially to provide scientific services which, while not wholly without a research component, are predominantly concerned to apply clearly accepted knowledge and techniques to the solution of particular manifestations of familiar problems. If the argument outlined in paragraph 10.2.11 is valid, an important consideration affecting the answer will be the degree to which scientific curiosity is felt to be an important motivating force for those involved.

10.2.13 The task force answered the question generally in the affirmative. As a prerequisite for effectiveness and efficiency throughout the range of science-based work it postulated 'as much autonomy as possible at as low a level as possible'. It recognised that the 'tasks of service science are inherently more closely defined than those of research' but urged that bureaucratic and political direction should in all forms of science-based work be kept to the minimum feasible. The task force appears to have been influenced by the example of CSIRO, which is widely held to be an unusually successful government science institution. The task force's prescription for the ills to which the Commission's attention has been directed has been in essence to generalise for all government science the underlying principles, structures, and conditions of employment which apply in CSIRO. These would involve:

(a) the statutory corporation in preference to the department;
(b) greater freedom from the controls over staffing and expenditure exercised by the Public Service Board and Treasury;
(c) promotion and rewards for personal performance;
(d) greater mobility of persons between science institutions inside and outside government;
(e) greater opportunity for communication, especially with other scientists but also with potential users in the community.

10.2.14 Generally speaking, the report of the task force has been well received by scientists and science administrators, as well as by the associations of professional officers concerned.[1] Thus one distinguished scientist with long experience in managerial and organisational aspects of science (who was nonetheless one of the more critical commentators on features of the report) concluded:

> 'There is so much that is sensible, well thought out and, seemingly, practical in this Report that if seriously taken up and at least partly elaborated and adopted ought to be regarded as a landmark in the restructuring of government science.'[2]

10.2.15 Criticism or doubts as to the adequacy of the task force conclusions emerged from some whose views were sought, primarily in relation to action needed to ensure the 'relevance' of government scientific work and to ideas about the institutional pattern on which it is organised. We shall return to these matters later.

10.2.16 The response of those authorities within the public service whose functions affect the 'autonomy' of scientists in government by prescribing and

1. See Appendix 4.B.
2. Letter from Sir Otto Frankel, a retired member of CSIRO Executive.

ordering their objectives and by determining the allocation of resources, has been generally negative. The Department of Science appears to reject both the diagnosis and the prescription advanced by the task force, and it is not clear whether it accepts the judgment that there is a 'malaise' requiring treatment. The Department of Defence recognises the condition, but believes it necessary and possible to meet the essential needs of scientific work within the departmental structure; and, while accepting the need for special conditions for science-based work, it has criticised the task force for failing to offer advice on the ways such conditions might be provided within the departmental context. It indicated also that some changes directed to this end had already been made, and that attention was being given to the problem. The Public Service Board and Treasury, while not rejecting the general approach of the task force, have reservations about 'autonomy'. All these organisations question to some degree the special status claimed for science workers, and emphasise the importance of uniformity and even-handedness in the treatment of similarly qualified staff. Some would subordinate 'autonomy' in the choice of work to be undertaken to direction by users.

10.2.17 Thus, the Department of Science comments:

> 'We see no reason why the service scientist or the scientist or engineer employed on development should be treated differently from a telecommunication engineer employed by A.T.C., a civil engineer or architect employed by the Department of Construction, an industrial psychologist employed by the Department of Employment and Industrial Relations or for that matter an economist employed by the Treasury, a social worker employed by the Department of Social Security or a lawyer employed by the Attorney-General's Department.'[1]

10.2.18 The Secretary, Department of Defence, writes:

> 'If defence science activities are to prosper and be effective they must be intimately connected with the inter-related military/civilian activities of the Department of Defence . . . The degree of inter-relationship . . . requires the exchange of officers at working level and all levels between. It requires participation by the defence scientists in government negotiations with foreign governments. It requires *detailed day to day responsiveness to departmental business*' (our emphasis)

10.2.19 It has been suggested to the Commission that the involvement, participation and responsiveness postulated by the Department of Defence are not incompatible with the special conditions necessary for effective science-based work, but represent merely an appropriate way of ensuring the degree of contact between officials, science workers and potential users, which the task force, and the Commission, regard as essential (see paragraph 10.2.57). The Commission respects this suggestion as evidence of a willingness and desire to make science-based work in the department effective. That it was offered in opposition to a plea for a degree of autonomy which working scientists almost unanimously regard as vital to their work, and that it stresses 'detailed day to day responsiveness' indicates the emphasis on the subordination of initiative by the scientist to military and administrative influences. The Commission is convinced that such a subordination, if carried too far, could prejudice the effective operation of defence science establishments (see paragraph 10.2.61). Nevertheless, we welcome the

1. Supplementary Submission by Department of Science.

comments by the Secretary of the Department as one of the few signs of departmental willingness to come to grips with this problem.

10.2.20 The Public Service Board, while not unsympathetic towards some of the views expressed by the task force, commented:

> '. . . the Board is firmly of the opinion that there should be uniformity in general conditions of service and that expertise should be rewarded through salary payments and not through extraordinary conditions of employment.'

10.2.21 The Board also draws attention to some respects in which employment in a statutory authority may not serve the interests of scientists or those with whose problems they are concerned. The Board emphasises the importance, when the nature of special conditions of work or terms of employment are being worked out, of keeping them as far as possible within the framework of existing institutions. The Commission accepts the validity of these comments.

10.2.22 Among the criticisms of the report of the task force were several to the effect that it had not adequately dealt with the problem of relevance—of ensuring that scientists, in the exercise of their 'autonomy', will give due weight not merely to the relevance of their work to the structure of scientific knowledge and the problems of potential users, but also to the social significance of the problem, and the lines along which its solution may be sought. Thus, Sir Otto Frankel writes:

> 'I believe the task force has passed over this problem of relevance rather lightly, as it has the related problem of communications.'

The task force was certainly conscious of this problem. Thus it comments:

> 'Society provides the resources for science . . . and unsurprisingly expects science to be accountable and to be relevant to the problems perceived by society.'

Generally, as Sir Otto notes, it appears to judge that this problem 'has been successfully solved in the CSIRO-State Agricultural Department-user complex thanks to the pluralist, largely informal communications at many levels between the Research agency (CSIRO) and mission-oriented Departments.' He goes on, however, to comment:

> 'Yet one may well feel that the research worker in CSIRO tends to be relatively isolated from the realism—ecological, economic, cultural, social and simply human—of the farming scene and *may miss out on impacts which could trigger research ideas of relevance to the user.*' (our emphasis)

10.2.23 This increasing isolation from realism Sir Otto Frankel attributes to the heavier demands of administration on the divisional chiefs and the Executive (both being composed of scientists), and the consequent decline in their personal involvement in the communication between practising scientist and the outside world. He sees these changes as being the source of signs that CSIRO itself is not free from the 'malaise' which exists in government science establishments.

10.2.24 Although the task force refers to the expectation of society that science would be accountable, it does not suggest explicit procedures by which that accountability (in the sense in which the Commission has used the term[1]) can be made effective, other than to the institutions of the science community itself. Throughout its work the Commission has emphasised that, if resources are to be efficiently employed, those who are given responsibility and control of them should be called on to account for their performance and for the use of the related

1. See Chapters 2 and 3.

resources. That such accountability is required *ex post* need not impair the autonomy of the performer but can provide information relevant to any subsequent review of the allocation of society's resources between alternative claims on them. Some tasks, including those performed by science, may require special procedures of accountability, and these may not be easy to design. This does not, in our view, relieve scientists (at any rate those within government) of the obligation to render an account.

10.2.25 Nor is it any part of our intention to exempt science as an activity from the disciplines in expenditure and the use of manpower which we propose for other parts of the administration. Scientific activity, as a call upon resources, must take its place in the competitive processes of the Forward Estimates and the Budget along with other demands. Our purpose is not to free it from such constraints, but to suggest the pre-conditions for the more effective use of the resources attached to it. The Commission believes the forward estimating procedures proposed in Chapters 3 and 11 should significantly reduce some of the problems of management brought to our notice by scientific officers.

10.2.26 Even so the Commission judges that there is need for change in the organisation and management of Commonwealth scientific activity. This need derives from elements in the present arrangements which lead to ineffective and inefficient use of resources. Important among these elements is a sense of dissatisfaction, revealed in submissions and in the Commission's Career Service Survey, among staff trained and qualified for scientific disciplines. It has been argued that this dissatisfaction reflects merely the recent stabilisation of government expenditure in the relevant fields and the contraction of work and promotion opportunities which that implies. This contraction has certainly occurred: our analysis of personnel records shows that the median length of service for a number of scientific designations has been increasing over the last decade, particularly at the top levels, in contrast to the third division as a whole, and for non-scientific graduates in particular, where it has been decreasing.[1] It may also be said that the institutional arrangements developed during the period of rapid growth may not be adequate to maintain and stimulate effective scientific work in today's less euphoric climate.

10.2.27 The Commission endorses the importance given by the task force to having scientific work done in an environment favourable to the appropriate 'culture', where workers are stimulated to act in accordance with the traditional 'ethos' of science. There is little doubt that scientists at all levels perform better to the extent that they feel themselves to be acting in accord with the tradition of scientists. In practice, the wide spectrum of scientific activity means that at the research end of the field the autonomy can be and needs to be greater than at the service or consumer end. Scientists with managerial responsibilities (at various levels) should have significant individual and corporate autonomy in matters with genuine scientific content, and in pursuing an 'entrepreneurial' allocation of the resources available to them. But they should not work in isolation or without exposure to the challenge and stimulus of the problems confronting the actual and potential users of the outcome of their work. They should not be exempted from the need to justify their claims on community resources, though this requirement will vary in its nature and detail across the spectrum. The autonomy which their

1. See Tables in Appendix 3.A, Paper 9.

tradition asks for should not be inconsistent with regular reviews of performance and with periodic accountability for its relevance to the needs and values of users and of society generally. It is not possible to prescribe in advance the precise character of the environment required for particular scientific tasks nor the precise degree and form of autonomy justified. These will need to be determined instance by instance, desirably after discussion between managers of establishments engaged on science-based work and the relevant co-ordinating authorities.

Issues

10.2.28 The Commission considers that it should comment on the following major questions affecting the administration of science in government:

(a) How should the government be advised on broad policy issues affecting scientific activities inside and outside government?

(b) Should specifically purpose-oriented research and service science activities within government be grouped together or linked with departments or agencies with related functional responsibilities?

(c) Is effective scientific work possible within a department?

(d) What considerations should determine whether organisations conducting scientific work should be made statutory, and in that event what powers should the statute entrust to them?

(e) What conditions of employment, different from those for government employees generally, should scientific employees enjoy?

(f) What measures are necessary to ensure that government science organisations can communicate effectively with other scientific institutions, potential users (especially in other government agencies and in the private sector) and the community generally?

(g) By what procedures can government science organisations be held accountable for the efficient use of resources entrusted to them and for the relevance of their work to the problems of users and society generally?

10.2.29 **Policy advice:** When the Commission examined this matter the responsibility for advising the government on major issues of science policy was shared between the Australian Science and Technology Council (ASTEC), the Department of Science, the Executive of CSIRO and major 'user' departments.

10.2.30 It was at that time envisaged that ASTEC would advise on matters such as the broad priorities to be observed in the allocation of government support for science activities inside and outside government; the identification of major social problems, actual or potential, to which scientific inquiry is likely to be relevant; and the action necessary to ensure that optimum use is made of the output of science here and internationally. ASTEC at that time reported to the Prime Minister acting as Chairman of a Committee of Ministers with responsibilities in science. These arrangements are under review, and the government may now have different views about the membership, scope and lines of responsibility of ASTEC. But the Commission *recommends* that ASTEC or a similar broadly based body drawing on the intellectual leadership of distinguished scientists, technologists, users of science and others equipped to assess the more general impact of science and technology in society, continue to advise the Prime Minister and a ministerial committee on science policy. R277

10.2.31 **The organisation of government science:** The task force, in a number of recommendations, envisages ASTEC offering advice also on matters essentially internal to government science administration. The wisdom of this has been questioned (by Treasury, the Public Service Board and some members of ASTEC itself), and the Commission is inclined to accept this criticism. ASTEC can exercise its most beneficial influence if it restricts its concern to those judgments in which is required the capacity to recognise the developing pattern of scientific knowledge and its relevance and potential for human affairs. Involvement in organisational and administrative matters is likely both to distract its attention and bring its authority into question.

10.2.32 Nevertheless there are questions about which the government will from time to time need advice from a body identified with science-based work in government, but more broadly based than any single department or agency. In particular, it will need advice about the appropriate structure of the organisations conducting government science and the allocation of responsibilities between them. The Commission is impressed with the need to restructure these organisations from time to time referred to by Mr Leon Peres in a letter supplementing the report of the task force. Historically the scientific organisations have come into existence in response to particular needs or opportunities, and it is unlikely that the resulting pattern will remain the most effective. Restructuring can become necessary for instance to provide for the shifting emphasis in scientific or practical interest, to avoid an organisation growing to excessive size, or to regroup science resources in the light of newly-emerging knowledge, of opportunities recently recognised, and of changing social priorities. Unless all agencies are linked, however loosely, within a common framework and unless responsibility lies somewhere to review that framework periodically, the task is unlikely to be performed except under the pressure of some immediate political issue, when sober judgment may be difficult. (Recent unheralded decisions affecting the conduct of research relating to minerals and energy perhaps provide an illustration.)

10.2.33 Thus, for instance, it is widely urged among scientists, and more generally, that increasing concern about the pressure of rising population on the ecology of man may warrant a major shift in emphasis in the work of government science agencies, as well as in policies operating in the socio-political field. Such a shift could conceivably call for structural changes in the framework of government science establishments.

10.2.34 Similarly, there may well be a case for reconsidering the form, structure and functions of the Australian Atomic Energy Commission. It was conceived under the influence of scientific, technological and economic expectations which have changed dramatically since its establishment. It seems that, if consideration were being given now for the first time to creating such a Commission, the scope of its research and other functions, the division of responsibility between it, CSIRO, the Bureau of Mineral Resources, defence science establishments, other government science agencies, universities and the private sector, and the structure of the Commission itself, would almost certainly be different.

10.2.35 Similarly, concern has been expressed about the size and possible rigidity of CSIRO. Although the divisional structure of CSIRO offers scope for periodic internal reorganisation and regrouping, and the Executive is clearly

conscious of its responsibilities in these matters, it seems likely that occasions will arise when parts of CSIRO might, with advantage, be combined with other elements within the government science sector in a unit perhaps separate from CSIRO. Change of this kind would be for decision as the need emerged. There should, however, be means for the need to be recognised and assessed, and the options for meeting it reviewed, so that the government could be adequately advised.

10.2.36 The Commission *recommends* therefore, that the government establish a Council of Government Science Establishments broadly representative of the scientific management of the various establishments, such as CSIRO, Defence Science, the Meteorological Bureau, but with a membership overlap with ASTEC. We envisage that this Council would: R278

(a) advise the government on organisational and related problems in government science from the point of view of managers of science-based work;
(b) initiate for consideration, or advise on, proposals for organisational review;
(c) initiate for consideration, or advise on proposals relating to terms and conditions of employment for scientists;
(d) be invited immediately to advise:
    (i) what government science agencies could, with advantage, be given a statutory basis,
    (ii) whether, and if so how, the structure and functions of the Australian Atomic Energy Commission and the Bureau of Mineral Resources should be recast.

10.2.37 It is not contemplated that the Council would have exclusive rights of advice on these matters, or executive authority. We have assumed that departments and agencies, and those with wider responsibilities relating to the machinery of government, would continue to have opportunities to express their views. The proposal is designed to give those responsible for the management of government science-based work a recognised channel for the expression of their views other than through the department or agency to which they individually are attached.

10.2.38 Such a Council could, the Commission believes, provide from its membership the nucleus of study groups for special purposes in the science field. The power of the user influence, the need for secrecy and other factors clearly cause especially difficult problems in the management of defence science. The Commission recommends that the Minister for Defence set up a study group to advise him on these matters, and that the nucleus of this group might be drawn from the Council and its advice be sought as to which other science administrators should be included. While our judgment on this issue cannot be fully informed, we doubt whether its requirements of secrecy and related problems need inhibit a rational inquiry in which selected persons outside the defence science community participate.

10.2.39 The Council of Government Science Establishments could prove valuable to the Public Service Board as a source of advice and as a secondary source of provisional views on claims that special conditions are necessary in particular fields and categories of scientific work.

10.2.40 **Is effective science possible within a department?** The task force considers the departmental form of organisation 'a closely administered, centralised, strongly hierarchical structure', and therefore unable to provide a desirable research environment. It argues that a government department will, like other large-scale organisations, have a 'natural bias and tendency (to) favour order at the expense of creative freedom'. It quotes approvingly the judgment of Schumacher[1] that 'centralism is mainly an idea of order; decentralisation one of freedom. The man of order is typically the accountant and generally the administrator; while the man of creative freedom is the entrepreneur'.

10.2.41 The task force believes that research, whether 'pure' or 'applied', should be conducted 'within many semi-autonomous units . . . Each of them will have a large amount of freedom, to give them the greatest possible chance to creativity and entrepreneurship'. Furthermore, it believes that service science also needs an environment similar to that necessary for research, since high standards of service demand behaviour in accordance with the 'ethos' of science—that is, the practice of disinterestedness and organised scepticism. To this end, service science will require a significant minimum degree of autonomy in the performance of its tasks and will need 'a sense of collegiality' with other scientists, as well as 'frequent contact with and advice and criticism from research workers in relevant fields'. The task force saw these needs as applying equally to research directed to the practical ends of users, such as in Defence establishments.

10.2.42 This distrust of the bureaucracy by scientists is traditional and pervading. Basically it seems to derive from a fear that 'non-science' values will over-ride the scientist's ethos, thereby emasculating the creativity of science work and rendering the scientist schizoid, alienated and uncreative.

10.2.43 To the Commission, an interesting aspect of this line of argument is its familiarity. It emphasises autonomy as a source of entrepreneurship and creativity, the stifling effect of centralism and hierarchy, the virtues of decentralisation and devolution, the damaging effect of conflict between what is demanded of a worker and what accords with his professional 'ethos'. Throughout the evidence before us and the studies we have sponsored these themes recur with fugue-like repetition and diversity. We are satisfied that, just as 'service science groups are exposed to the risks of becoming depressed and stagnating pockets of the scientific community', so too are other groups within the bureaucracy. Science-based work may be the extreme instance which illumines the nature of the risk, but it is not wholly different in kind. Disinterestedness and organised scepticism form part of the ethos of other and wider groups within the administration, and entrepreneurship will yield its benefits more generally if appropriate autonomy and stimulus can be provided.

10.2.44 The Commission in all phases of its work has therefore sought ways of creating scope for entrepreneurship. It proposes shifts in responsibility from co-ordinating authorities to departments; from top and central levels of departments and agencies to functional units and centralised offices. It approves experiments in non-hierarchical organisational forms. To the extent that the principles it asserts are applied in the spirit as well as the letter, it will be less necessary to design special organisations for groups whose need for autonomy is great. Within a department or statutory agency the wise administrator will seek to ensure the

1. E. F. Schumacher, *Small is Beautiful*, London, 1973, pp. 227–9.

most productive environment for different categories of work and workers, and many of the conditions of employment now felt necessary as special exceptions will be more generally available.

10.2.45 For these reasons we believe the choice between the departmental and statutory form of organisation should not be made simply on the basis of a need to provide an appropriate environment and conditions of employment. This should be capable of being met in either. Those responsible for science establishments, statutory or departmental, should at least ensure to staff with the relevant responsibilities and functions a sufficient degree of autonomy to enable them:

(a) to participate in defining objectives and in identifying areas requiring scientific investigation or technical development;
(b) to identify the scientific question or questions relevant to the problem or issue to be studied;
(c) to judge whether such a question is likely to be answered or illuminated by scientific work within their capacity;
(d) to design (and if necessary redesign) research or experimental work to be undertaken;
(e) to allocate financial and staffing resources available to them, within budgetary limits set for broad project categories, and in accordance with guidelines set in negotiation with Treasury and the Public Service Board, as a basis for substantial delegations.

10.2.46 While we see no reason in principle why these requirements should not be met in departments, the material before us leads us to conclude that they are not in fact met in most instances, and we find departmental responses to the task force report frankly discouraging. The Commission acknowledges that this comment unqualified is unfair in some instances. In particular it has been impressed by the responses of the Department of Defence. While the Commission disagrees with much in these responses, it believes they show an awareness of the issues and a willingness to contemplate significant change to deal with them. It is partly because of them that we are inclined to agree that an appropriate environment for science-based work can in fact be provided within a departmental structure *provided that the department is responsible for matters to which that work is directly relevant.*

10.2.47 In the Commission's examination of statutory agencies (Chapter 4.4), it has sought to identify the considerations which justify Parliament entrusting particular functions to non-ministerial agencies. Of these, the dominant one is the desirability of the relevant functions being performed and *being seen to be performed* in a day to day sense independently of a minister and of party-political influence. This is not inconsistent with a provision which gives the minister a reserve power of direction—as the Science and Industry Research Act does in relation to CSIRO. This consideration, in our view, clearly justifies the present statutory basis for CSIRO with its widely-ranging research responsibilities and, we believe, for service science organisations such as the Bureau of Meteorology and the Analytical Laboratories. The Bureau was established by Parliament by statute, but the powers necessary for it to perform its functions have not been conferred upon it, so that it remains dependent upon departmental support and subject to departmental constraint. Both serve a diversity of users—other departments and agencies, particular groups of industries and the public at large,

directly and through the media. Their functions are capable of clear definition and do not appear to be of a kind requiring adjustment with changes in government or the generality of changes in government policy. In some respects their work requires the same authority and freedom from suspicion of party-
R279 political influence as that of the Government Statistician. It seems appropriate to the Commission therefore that they be set up by statutes which would specify their powers in relation to the conduct of matters referred to in paragraph 10.2.45 above. In administrative matters (see paragraph 10.2.45(e)) the statutes could, as we suggest elsewhere, make the exercise of their powers subject to the concurrence of co-ordinating authorities such as the Public Service Board and Treasury. They would not be associated with a 'responsible' department, but would be linked to a general service department, such as the Department of Administrative Services.

10.2.48 For other science establishments to which the task force refers, we find the issues less clear. The Commission suggests, therefore, that for them the choice between statutory and departmental form should be studied by the Council of Government Science Establishments recommended in paragraph 10.2.36 above, in consultation with the Public Service Board and Treasury, and that its report should be submitted for decision to the Science Committee of Ministers. While, as we state above, we see no reason why an appropriate environment should not be possible within a departmental context, we expect that the Council, in considering these and similar instances, would look for evidence that departments were prepared to resist the tendency to prefer centralism and hierarchy even when cogent arguments for devolution and autonomy exist.

10.2.49 **Should science functions be grouped?** The task force rejected the present concept of a Minister and Department of Science with a general responsibility in the science field and administering a wide range of specific science functions. It has urged that responsibility for these latter functions should be dispersed so that each forms part of the portfolio linked with the department of the minister with responsibilities most closely related. It saw this spread of science activities as a means of increasing the capacity of departments and agencies to use science and of widening the ministerial and official awareness of the relevance of science to government and public affairs.

R280 10.2.50 The Commission agrees that there is a strong case for the dispersal of some existing science-based organisations to departments with related responsibilities. The task force, however, urged that responsibility for CSIRO should be given to a minister without other science functions so as to assert its responsibility to serve all ministers and departments. There will remain, therefore, the need for a ministerial focus for CSIRO and also for general science policy, including policy of the kind about which ASTEC has been set up to advise the government.

R281 10.2.51 The minister providing this focus could be a Minister for Science, a minister with a wider portfolio incorporating Science, or the Prime Minister (preferably assisted by another minister). The present line of responsibility of ASTEC to the Prime Minister as Chairman of a Ministerial Committee on Science accords with the Commission's conviction that science should be seen as a resource for all government activities. If the Prime Minister continues to accept this responsibility, the Commission suggests that CSIRO should also work to him and that ASTEC, the Council of Government Science Establishments (if it is established) and the ministerial committee should all be serviced from within the

Cabinet Office. It would seem wise, in this event, that the Prime Minister be assisted by another minister in relation to his science responsibilities, although it should be clear that this minister is exercising his functions on behalf of the Prime Minister as Chairman of the Ministerial Committee on Science.

10.2.52 If, however, a Prime Minister judges it necessary to transfer the responsibilities for ASTEC, CSIRO and the Council of Government Science Establishments to another minister, then a Minister for Science with a more traditional style department could be appointed. It would be important, in the Commission's view, that the establishment of such a department should not lead to a concentration within it of responsibility for more specialist science activities, and that the Minister concerned and his Department should see themselves as acting in a trustee capacity for a Ministerial Committee on Science and should be closely linked with the work of ASTEC and the Council of Government Science Establishments. Such a trusteeship role would, we consider, be more difficult if these responsibilities were merged with a wider range of issues, as it was for instance some years ago in the Department of Education and Science. Such a merging of responsibilities would in our view be the least desirable of the choices outlined above.

10.2.53 The precise distribution of responsibilities for the other science agencies and functions reviewed in Section V of the Task Force Report should, the Commission considers, be determined by the Prime Minister after receiving advice from the Council of Government Science Establishments, the Department of the Prime Minister and Cabinet and the Public Service Board.

10.2.54 **Terms and conditions of employment:** The Commission is sympathetic towards the proposals submitted by the task force to provide incentives, improve career possibilities and increase staff mobility. The principles underlying these proposals are, as the Commission urges elsewhere (Chapters 8.4, 9.4 and 11.6), applicable more generally in government employment. We contemplate certain basic uniform terms and conditions for government employment generally, but with provision for conditions appropriate to special categories of work and special classes of staff to be negotiated with the Public Service Board.

10.2.55 We *recommend* that the Council of Government Science Establishments be authorised to advise the Public Service Board in relation to special provisions affecting those engaged in science work. We believe the task force proposals provide a reasonable basis for negotiations between the Public Service Board and individual scientific establishments, but that the Council could assist the Board to assess the validity of claims for special provisions. In addition, we see no reason why government science should not develop its own 'non-material' rewards and recognition for distinguished performance. Consideration might be given to special awards for distinguished performance, to be granted on the advice of the Council or of experts chosen by them. R282

10.2.56 **Effective communication:** The task force urges the importance of free, informal and personal communication between those engaged in government science and other scientists, and between them and actual and potential users of the results of their work, especially in industry, the armed forces and government administration.

10.2.57 The Commission accepts the task force's assessment and the need to improve the scope of this communication and broadly endorses the ideas it has

presented. These ideas, however, should be seen as illustrative rather than definitive. Ingenuity and the capacity to recognise and seize opportunities are the
R283 vital requirements. For this reason, we believe that the departmental Science Advisers recommended by the task force should be seen rather as Science Liaison Officers and that their essential tasks should be:

(a) to main contact with continuing work in science relevant to the interests of the department or agency concerned;

(b) to bring before the executives of the department or agency information about scientific work or ideas of potential interest or value to them;

(c) to establish contact between officials, science workers, potential users, etc. when opportunity and possible benefit come together;

(d) to bring to the attention of senior officers possible sources of scientific advice on matters with which they are concerned.

A scientist with such a role would be more active and have a more continuously constructive potential than one who saw his task as merely to offer advice, especially as, objectively, there will be subjects on which his advice may be sought about which he personally could have little to offer. He should normally be an officer on rotation from a more specifically scientific environment, and should know where to go to obtain information or advice. We note that advisers with such functions have existed in the Armed Services for many years.

10.2.58 **Relevance and accountability:** The task force contemplates that scientists in government will, while exposed to the informal influence of actual and potential users, departmental officials, other scientists, etc., be responsible themselves for determining what scientific issues are relevant to any line of inquiry and the choice of the means by which such issues are to be explored.

10.2.59 The task force justifies this freedom by reference to its conviction that scientists possessing such freedom have, if a long term view is taken of the outcome of their work, 'delivered the goods'. Generally, the Commission shares this conviction. However, it believes that the relevant freedom will not be impaired if those who possess it are called upon to report on how they have used it and with what results.

R284 10.2.60 We *recommend*, therefore, that government science establishments should compile reports on lines similar to those we have proposed be prepared by departments and agencies, taking into account the relevant prescriptions for such reports proposed by the Auditor-General (see Chapters 4.3.25–27 and 11.4.7). We suggest also that ASTEC, in consultation with the Council of Government Science Establishments, should at regular intervals set up groups of scientists, administrators, and others with widely ranging awareness of social change, to review the work of particular establishments or working units within them. Such reviews would be designed to bring under notice the progress on particular lines of inquiry, draw attention to benefits which that progress has conferred or could confer, and generally assess its relevance to contemporary and future scientific and social problems. Apart from the benefit which such reviews would provide for the managers of the establishments concerned, for departmental officers, and for those to whom they are responsible and for the ministers concerned, they would provide ASTEC with significant material on which it could base, at least in part, its advice to the government on broad scientific priorities and on the allocation of resources to them.

10.2.61 The Secretary to the Department of Defence has, in comment on this idea, urged that in some areas of defence science the constraints of necessary secrecy would render it impracticable. We acknowledge the problems of secrecy in the defence area, but hesitate to exclude defence science from our recommendations. In general, we consider it should be subject to the same principles, practices and precepts. Even where exceptions may be necessary, we consider these should be strictly limited and subject to review, and that an awareness of the scientific community's need for free flows of information and ideas should constrain any tendency to excessive secrecy. This is a matter which governments may need to consider, but the very importance of defence science and the damaging effects of isolation and secrecy argue for an active and continuing search for constructive solutions. It would seem to the Commission that if people of adequate qualifications, competence and acknowledged loyalty can be found to undertake this work, so too can persons loyal and competent to receive and assess accounts of their efforts.

10.3 HEALTH AND SOCIAL WELFARE

Problems and Suggested Remedies

10.3.1 Submissions and other material before the Commission made it clear that government programs concerned with the health and welfare of members of the community were a frequent and growing source of difficulties both in policy and administration. Since 'welfare' is often defined to include all those policies that affect the health, education, housing and financial self-sufficiency of the individual and family, we should expect difficulties in both the design of appropriate policies and in administration of programs. Studies in Australia, in the United Kingdom, Canada and the United States reveal the complexity of the problems, the conflicting principles which underlie different approaches to their solution and the obstacles to be overcome if rational solutions are to be found.

10.3.2 The reasons are not far to seek. First, in one form or another, government policies in welfare bear upon the lives of almost every family. With free education at all levels, Medibank, housing subsidies, pension and other financial benefits, some of which are free of means test, there are few who are not beneficiaries or clients of government programs. Similarly, all contribute to the cost, in varying degrees. Of all government activities, welfare programs make the most direct and universal impact on the individual and the family.

10.3.3 Secondly, there is a staggering multiplicity of separate programs composing the whole. Some of the programs are concerned with ensuring socially acceptable minimum income security; some are concerned with compensation for loss, injury or deprivation; and many are concerned to provide free, or at low cost, services judged to be important to health and welfare. Some of these programs are directed at specific groups—the aged, young children, the incapacitated, Aboriginals, migrants—but many are almost universal in their potential clientele. Many of these programs overlap in their content and clientele, and frequently their relationship, individually and collectively, to the objective of overall individual or family welfare has not, in Australia, been the subject of systematic study.[1] Indeed, one basic question yet to be resolved is to what extent

1. See Appendix 4.J, Paper 4, a Case Study of the IDC on Overlap in Australian Government Grants to Local Bodies.

government programs in health and welfare are more efficient and effective when directed at the family or other social group rather than at individuals.

10.3.4 Thirdly, responsibility for the planning and management of these programs is dispersed between federal, State and local levels of government and innumerable voluntary groups and, within the various levels of government, between departments, commissions and other agencies. This leads not merely to a tendency to duplicate facilities and staff, and to competition for scarce resources, especially in newer community based programs. It also creates, both among clients and administrators, vested interests in the characteristics of individual programs, and in the authority, security and opportunity provided by the organisations which administer them. This dispersal of responsibility makes it difficult to determine policies in closely interlocking fields and practically impossible to assess the outcome of the whole complex of programs, or indeed of its component parts.

10.3.5 Governments have been aware of these problems for years, and a series of partial inquiries has been conducted here and overseas to illuminate them. The Whitlam Government, for instance, set up a series of statutory commissions which it hoped would progressively invoke order in this confusion. Thus, the Social Welfare Commission received a charter which apparently was intended to give it authority to review the whole field of welfare programs and to advise on their rationalisation both from the point of view of policy content and administration. Others, such as the Children's Commission, were to be concerned with the impact of the programs on an important section of the community. The work of these agencies, as well as that of other more *ad hoc* bodies of inquiry, has thrown valuable light on parts of the problem. However, before the Whitlam Government came to an end it had become less optimistic about statutory commissions as effective instruments of change.

10.3.6 Certainly, too much had been expected of them. They were intended not merely to evolve a general foundation for a multiplicity of programs, bringing greater understanding and expertise to the work of the bureaucracy, but also to be the instruments of greater participation by non-government experts, by other levels of government, by voluntary agencies and by the clientele itself. In some instances the statutory commission was itself to be involved in administration, sometimes replacing, sometimes paralleling bodies already in existence.

10.3.7 Furthermore, it seems that on occasions at least, the statutory commissions failed to establish satisfactory working relations with the existing bureaucracies.[1] How far this was due to their failure to see this relationship as critical to their work and their future, and how far to passive, possibly active, resistance to their ideas and ambitions, is impossible to judge, and indeed judgment would be purposeless.

10.3.8 It became clear also that the appointment of statutory commissions, with power to review programs and to assess their adequacy in meeting social needs as the commissions saw them, tended to produce expectations that their recommendations and therefore their claims on budgetary resources, would be automatically validated. The possibility that some increasingly important (and expensive) fields of expenditure would move away from departmental control

1. See also Chapter 6.3.

and become less subject to Treasury scrutiny as a result of the apparent independence of some of the statutory authorities was a source of anxiety; this was especially true of those commissions with ineffective links to the relevant department and those with very vocal lobby groups pressing their claims.

10.3.9 It was in the light of these considerations that the Commission received from the then Prime Minister and the then Minister for Social Security a request to report on an appropriate structure for the administration of the government's responsibilities in health and welfare.

10.3.10 The Commission therefore set up a task force to make a special study of this field of government. It was encouraged to do this by the knowledge that there were other fields of government in addition to health and welfare, where programs, independently conceived, and designed and administered by separate but overlapping agencies, sometimes directed at multiple and partially competing objectives, had led to some administrative incoherence with its attendant waste and loss of purpose. It was hoped that the study of the health and welfare field might suggest principles of organisation capable of being applied over a wider area of government administration. The membership of the task force, its terms of reference and the major conclusions from its report are set out in Appendix 4.C.

10.3.11 Four dominant themes emerge from the report of the task force:

1. There is an immediate need to rationalise the mosaic of health and welfare services which is marked by duplication of roles and responsibilities and which stimulates rather than reduces the need for institutional care.
2. The failure to rationalise these services derives in part from a lack of policy analysis and program evaluation, which itself reflects to some degree an absence of relevant policy-oriented research capacity within and outside government.
3. A rationalisation of services, including possibly a greater devolution of their delivery and more effective division of responsibility between federal, State and local levels of government and voluntary agencies, would enable some restructuring, with economies in personnel, particularly in federal departments and agencies: it was acknowledged that this devolution should be achieved only by joint planning and hard bargaining in which the federal government would be prepared to trade withdrawal from the front-line administration of services for an enhanced capacity to set principles and standards backed by broad rather than narrowly specific financial supports.
4. A rationalisation of the kind described in 3 above, calling for joint planning, complex negotiations and the restructuring of departments and agencies at all levels of government, could not be achieved quickly: progress might be expedited by federal action which could be seen as an indicator of its willingness to withdraw from some service delivery and to reduce the degree of detail in its control programs financed by special purpose grants, and by joint planning with the States towards block grant and revenue sharing funding of certain health and welfare services.

10.3.12 With these themes in mind the task force concluded that in the federal sphere consideration should be given to changes which might ultimately lead to the complete integration in one 'giant' department of the existing departments and agencies involved in health and social welfare policy and programs. To this

end it envisaged the immediate establishment of a single Health and Welfare Commission to replace five existing statutory authorities, bringing together the heads of existing departments and major agencies with an addition of specialist advisers from outside government. The functions of the integrated Commission would be to act as a co-ordinated source of advice to the government, to rationalise administration, and to review the effectiveness of programs. Similarly, the task force contemplated, as a first step, the consolidation over the next two years of existing departments into two, and the integration of rehabilitation payments and services with welfare and pension benefits payments and with the community health and social services available to the general community.

10.3.13 The report of the task force has been welcomed by many interested groups as a valuable exposition and analysis of the present situation and the need for reform. The principles it enunciates have also been generally welcomed, but the responses of particular agencies and individuals appear to us often to reflect their own identification with aspects of existing programs and organisations to which we refer above. Generally, they serve to reinforce the task force's judgment that the desired restructuring will come about only slowly.

10.3.14 Since the presentation of the task force's report, the present government has made some changes which bear upon matters discussed in it. Such changes do not, however, render the task force's assessment less valid or, in our view, reduce the need for longer-term action. There are, however, two aspects of those changes to which the Commission attaches importance:

(a) the Prime Minister has established a number of Cabinet-level committees concerned with broad areas of policy comprehending the responsibilities of several ministers and their departments. (None of these committees has responsibility for the health-welfare complex, though there is a committee of backbenchers with responsibility for health and welfare.)

(b) the Government has indicated its belief that the efficiency of government would be improved by a reduction in the number of Commissions and agencies and the greater integration of their work with that of the relevant departments, and has begun to take steps to that end.

The Commission's Conclusions

10.3.15 1. The Commission is satisfied that the four basic themes enunciated in the task force report (see paragraph 10.3.11 above) summarise the issues involved, and justify a major effort to rationalise welfare policies and their administration.

2. Such a rationalisation is unlikely unless it is backed by powerful Cabinet and ministerial authority.

3. The immediate task will be to establish, at ministerial and official levels, machinery to provide that authority, and so ensure the participation and co-operation of existing administrative units.

4. This machinery must be designed not merely to mobilise the knowledge and skills of those in existing departments and agencies, but to draw also upon outside sources of expertise and stimulus.

5. A major task of those heading this machinery, if it is established, will be to plan and conduct detailed negotiations with States, local government authorities and voluntary agencies, leading to firm

agreements for the division of responsibility and appropriate devolution.

6. Rationalisation within the federal government should proceed step by step as these negotiations and related internal studies are completed.

10.3.16 In considering specific ways of embodying these conclusions in recommendations for action, the Commission gave careful thought to the judgment of the task force that eventually it would be desirable to move, over a two or three year period, towards a single 'giant' department with comprehensive responsibility in the welfare field. The Commission agreed that this should not be a prime objective for the foreseeable future. Whether it would at any time be desirable is a question that may be easier to answer after some years' experience of the plan the Commission proposes.

10.3.17 A better solution, for the short-term at least, can be devised. The Commission has taken note that the Swedish administrative system works through a single ministry of Health and Social Welfare, supported by a number of substantially autonomous agencies which are responsible for groups of programs. Such agencies are managed by senior officials of status comparable with that of a departmental head who, while accepting the authority of their parent department, in matters of broad policy, exercise considerable freedom to manage their own agencies.

10.3.18 Similarly, the Commission was interested in the experience of the Defence Department while it operated with three separate Service departments (in the years 1939–1972). It is our impression that the Prime Minister's directive of 1958, which gave the minister and his department clear authority not only to develop policy but also to oversee and influence its execution, was felt to be necessary because its ministers and senior officials for the preceding period had lacked the requisite political force and Cabinet authority to make their role effective once the war years and their immediate aftermath were over.

10.3.19 Although the Defence experience is not necessarily applicable to Health and Welfare it does emphasise that greater rationalisation is likely to be achieved only if the responsibility for achieving it over a period of time is given to a senior minister without detailed responsibility for specific programs. Even then, that minister will need to be backed with organisational resources adequate to dominate the broad policy conceptions and program activities of his colleagues who are responsible for different aspects of the government's services. His resources must be sufficient also to bring about, with the backing of a Cabinet decision if necessary, any restructuring that is found to be desirable as a result of studies sponsored by him or agreements reached with the States. We recognise that there can be difficulties in singling out one minister for a pre-eminent position unless she or he is really given more authority than the other ministers. That would be done best by making only the senior minister a member of Cabinet, which would be consistent with recent developments in Australia, with Defence experience, with much evidence put to the task force and with the Commission's own judgment that the establishment of 'tiers' of ministers would increase the effectiveness of ministerial government.

10.3.20 The Commission has considered seriously whether the task of rationalising the administrative structure of health and welfare and of co-ordinating policies and management could not be given to one (perhaps the most senior) of the ministers responsible for the various portfolios within the complex. The Commission is anxious not to add unnecessarily to the units already involved, and a co-ordinating minister could find value in having access to experience and a power base of existing functions. On the other hand, the minister would have conflicting responsibilities—to defend the functions and interests of his existing department and to subordinate them to a more rational structure. He would have two sources of advice dedicated to these separate objectives. Furthermore, collaboration from other ministers and their departments would be impaired by reservations about the objectivity of these two sources. He would also have to carry a substantial extra load, and the planning and policy element might well be forced into second place.

10.3.21 The Commission concludes that if the rationalisation is to proceed expeditiously and effectively, the minister must see it as his primary purpose and be able to pursue it undistracted by conflicting loyalties. If it is felt that the senior minister chosen for this task can reasonably carry an additional portfolio, we suggest that it be outside the health and welfare field.

10.3.22 It has been argued that a minister with such a role would lack an adequate power base in the health and welfare field to make it effective. This could be a source of difficulty. However, the Commission believes that the minister's access to more comprehensive information, his responsibility for research and the organisation of policy and administrative reviews, and the responsibility for preparation of a welfare budget, could prove adequate. Finally of course the minister's effectiveness will depend on his own capacity to command support from Cabinet and the Prime Minister. If this is clear we see little ground for concern.

R285 10.3.23 In more detail we *recommend* that:

(a) there be a Minister and Department for Social Welfare with a responsibility to co-ordinate government policy and administration in the broad field of health and welfare;

(b) the Minister for Social Welfare be a senior minister and a member of Cabinet, and if he is given another portfolio, it not be one of those concerned with particular parts of health and welfare policies;

(c) the Minister for Social Welfare preside over a Ministerial Committee including the Ministers for Health, Social Security, Repatriation, and Aboriginal Affairs and for some purposes the Minister for Environment, Housing and Community Development;

(d) the Minister for Social Welfare be responsible for

(i) achieving a simplified coherent administrative structure to give effect to government programs relating to health and welfare,

(ii) co-ordinating the formulation and review of welfare policies,

(iii) integrating the preparation of Forward Estimates and Budgets for the whole social welfare area,

(iv) planning, arranging and co-ordinating the research necessary for policy formulation and review,

(v) co-ordinating consultation and negotiation with other levels of government and voluntary agencies, and between federal agencies, to ensure effectiveness and economy in
—the delivery of services to the community
—the recruitment, training, employment and organisation of professional workers;

(e) the Minister for Social Welfare be supported by a Consultative Council consisting of
(i) the heads of the departments in the social welfare field,
(ii) experts from outside the Service retained on a short term basis for their expertise in relevant capacities such as policy analysis, financial organisation, access to and delivery of service, and the organisation and use of information,
(iii) representatives of selected National Advisory Councils,
(iv) the Director of the Bureau of Social Policy (see below);

(f) the Department of Social Welfare be small and designed to provide administrative support for the Minister as Chairman of the Ministerial Committee and for the Consultative Council and to service task forces and other study groups set up by the Minister for Social Welfare to assist him to rationalise and co-ordinate administration. It should also include a Bureau of Social Policy;

(g) the Bureau of Social Policy should
(i) provide some research capacity, but be concerned primarily to initiate and support studies in academic and other centres of research,
(ii) collaborate with the Australian Bureau of Statistics in the development of adequate statistical information as a basis for policy formulation and review,
(iii) have substantial autonomy in the design and conduct of research programs and in the publication of their results (the Bureau of Agricultural Economics provides a suitable model).

10.4 FORMING AND EXECUTING FOREIGN POLICY

10.4.1 The wide ranging and challenging submission from the Department of Foreign Affairs[1], the Commission's terms of reference, and the report which Mr Justice Sharp prepared for it on the determination of conditions for overseas service[2], led the Commission to seek to define the essential role of the Department of Foreign Affairs. We considered, with Dr Sharp, that it would not be possible to devise suitable overall arrangements for staffing the Department unless its task was first clarified, and its place in the administration as a whole determined.

10.4.2 Primary responsibility for foreign policy rests with the Minister and Department of Foreign Affairs. Essentially their role is to express the government's basic attitudes and policies in matters of international concern, to offer guidance on international influences bearing upon the responsibilities of other ministers and departments, and to help reconcile differences and conflicts

1. Submission No. 214.
2. Extracts from the report by Mr Justice Sharp 'Overseas Service', appear in Appendix 3.K. The Commission discussed staffing issues in Chapter 9.4.43–62 and comments further on the Sharp Report in an Explanatory Note associated with Appendix 3.K.

which may emerge between domestic and international objectives, so making possible the presentation internationally of a consistent and coherent pattern of government views and decisions. The immediate discharge of these tasks is in the hands of a relatively small group of professional diplomatic officers (entitled Foreign Affairs Officers), of whom 283 were in posts abroad and 170 in Australia at the end of 1974.[1]

10.4.3 The diplomatic staff abroad represent the Australian government in the countries to which they are attached, providing information about Australian government policies, and conducting negotiations necessary for the conduct of Australian affairs with them. They maintain a flow of information—political, economic and other—from each country to Australia as a support for policy-related activities there, which are largely in the hands of the diplomatic staff located in the head office in Canberra.

10.4.4 It is often not realised that Foreign Affairs is in fact a relatively large department, with administrative tasks overseas of some size. These include consular functions, administration of aid and migration programs, and the operation of communications facilities. Some 3600 of the total Foreign Affairs staff of 4700 are located overseas.

10.4.5 The consular function is of considerable and growing importance. Hundreds of thousands of Australians travel overseas each year, and require assistance for a multitude of purposes, routine or emergency. The role of supporting with appropriate facilities the many official visitors from Australia who rely on the posts for assistance while they are discharging their official duties in a foreign country is also significant. These aspects of Foreign Affairs' work tend to be under-rated both by the public generally and even by elements in the Department itself.

10.4.6 In submissions put to the Commission, the point has been made that the ease and speed of travel, a new outlook and new working methods among heads of government including summit meetings and personal visits, the growth of intergovernmental agencies, and the widening of the subject matter of international activity, have led to major changes in the methods of conducting international relations. While there is still a need for an accredited representative as a recognised 'go-between' in the business of one national government with another, much of the high level representation or negotiation is done by a visiting minister or a delegation chosen for competence in a special field. The Foreign Affairs officer may then, at least on some important occasions, become the assistant, rather than the principal agent in diplomacy.

10.4.7 These changes are relevant to the structure and management of the Department of Foreign Affairs, and we believe the Department is being adapted to them. Thus, we understand that a Foreign Affairs representative is always attached to a delegation where a head of mission does not lead it, or where Foreign Affairs does not have the main carriage of a matter which is the subject of international negotiation. The business of international negotiation is complex, having its own mode, style and conventions, and while it is not necessary that a senior officer in Foreign Affairs will necessarily conduct it more skilfully than

1. Figures are from the Annual Report of the Department of Foreign Affairs for 1974, and are as at 31 December 1974.

others, it is important that their expertise be drawn upon to the full. To this end we *recommend* that the Department arrange for the specialised briefing of officers, both those in the Department and in other departments, who will be involved in international negotiations of any size, complexity or importance. R286

10.4.8 We note also that while a minister or senior official from Australia may assume primary responsibility for representing the government during the intensive period of time associated with the overseas visit of a delegation or an international conference, this does not diminish—indeed it enhances—the importance of the continuing Foreign Affairs representation. Almost as important as the intensive phase will be the preparations made for the visit and the manner in which the outcome of the visit is carried forward. In these, the officer on the spot is of critical importance, and Foreign Affairs staff will need to be selected with perhaps greater regard for this aspect of the work.

10.4.9 The difficulties in designing appropriate machinery for the formulation and conduct of foreign affairs arise from the problems of identifying where such affairs begin and end. There is almost no subject matter, however closely identified with the traditional diplomatic interests of a Department of Foreign Affairs—representation, reporting and negotiation—which does not contain a substantial component of domestic concern. Thus, even the negotiation of a traditional treaty of friendship with a foreign country would raise matters affecting navigation, trade policy, cultural exchanges and other matters of immediate concern to ministers, departments and agencies with relevant responsibilities, but concerned primarily with the domestic scene. Equally of course there is almost no aspect of domestic policy which does not, or could not, in some circumstances involve issues of important international concern or of significance in our relationships with particular foreign countries.

10.4.10 The organisational problem is therefore one of ensuring:

(a) that the specialist knowledge and skills of the Department of Foreign Affairs are effectively used not merely in relation to matters where international aspects are dominant but also in bringing to bear relevant international considerations on domestic matters within the primary competence of other departments;

(b) that there is a sufficient exchange of information between the Department of Foreign Affairs and relevant domestic departments, to enable the specialised knowledge and skills of each to be fully deployed;

(c) that the Department of Foreign Affairs has sufficient co-ordinating authority to enable it to bring before ministers or Cabinet matters where some reconciliation is necessary to resolve differing or conflicting attitudes which derive from the different weights being given to international and domestic concerns respectively;

(d) that these policy activities are supported by effectively operating posts overseas, which have also a significant administrative role focusing on consular activities and administrative support.

10.4.11 In policy matters, the role of the Department of Foreign Affairs is therefore essentially one of co-ordination. Clearly, opinions can differ as to how far it is necessary or wise for a co-ordinator to have a dominant role in formulating policies and their administration when they lie within his co-ordinating responsibility. Other countries show wide differences in their approach to this

division. On the whole, the Commission favours an emphasis similar to that of the Department of the Prime Minister and Cabinet, which seeks to recognise the primary responsibility of other departments within their fields of specialised concern, to avoid building up expert staffs paralleling those of 'line' departments, and to exercise its influence primarily through various instruments of consultation.

10.4.12 There will always be important issues, both international and domestic, where the Minister for Foreign Affairs and his Department will develop a 'Foreign Affairs' point of view. However, the increasing direct involvement of other departments in international activities suggests that it should be possible to develop a foreign policy which reflects the political outlook of the government, and takes account of Australia's broad national interests as they are assessed by the various departments influenced by special groups and the community generally. We envisage a much closer integration in the future between the role and functions of Foreign Affairs and the rest of Australian government administration. In Chapter 9.4 we recommend more open recruitment into this Department, and extensive rotation of staff both between Foreign Affairs and other departments and between the diplomatic and other streams within the Department itself. Here we follow through some other issues which are significant for the development of foreign policy and for the Department of Foreign Affairs.

Problems of Policy Co-ordination

10.4.13 The Department of Foreign Affairs has difficulties in making effective its co-ordinating role. It has few direct powers and a limited 'home base'. Within Australia, it deals with departments with specialised knowledge and often a community power base, supported and moderated by the whole apparatus of elected representatives, ministers, and a general sense of community. When policies are in dispute, these primarily domestically oriented influences make it difficult for the Department of Foreign Affairs to lend adequate weight to the advice it proffers, however ably it has analysed and presented its arguments.

10.4.14 The consequence is that Foreign Affairs, by its very nature, depends upon consultation and upon the influence it can exercise on other officials and ministers so as to achieve agreed solutions. Both at home and abroad, its functions must, insofar as they affect the responsibilities of other departments, be exercised in a truly diplomatic fashion—by negotiation and persuasion rather than by the exercise of its own authority. The Commission endorses therefore the claims so strongly emphasised in the Department's submission that it should be more fully informed and should be consulted or given the opportunity to contribute to policy formation whenever, in its opinion, there are significant international considerations. The Commission believes its proposals for staff rotation, in which Foreign Affairs would play a part, will make an important contribution to improvement of co-ordination.

10.4.15 The full sharing of information is, of course, a mutual obligation and the Department of Foreign Affairs will have access to material of immediate relevance to the work of departments—not only those with an 'international' component in their work such as Overseas Trade, Primary Industry, Immigration and Ethnic Affairs, and National Resources, but others with predominantly domestic scope. It would not, the Commission believes, be appropriate to establish formal rules relating to the exchange of information.

R287 However, the Commission *recommends* that departments and agencies review their

present procedures for the exchange of information in consultation with the Department of Foreign Affairs and that the Public Service Board monitor the effectiveness of the procedures established, drawing the attention of the Auditor-General to serious deficiencies if they persist.

10.4.16 By providing a recognised means by which such deficiencies can be brought to notice, the Commission believes the needs and interests of the Department of Foreign Affairs can substantially be met. They will nevertheless depend upon open and mutually constructive relationships being developed and maintained between the Department of Foreign Affairs and departments generally.

10.4.17 The Commission notes with interest the attempts the department has been making to develop its own capacity to deal with emerging issues by the development of a separate secretariat, which operates outside and independently of the line structure of the department, and has terms of reference ranging widely from policy planning to organisational matters. We see this as a proper response to the rapidly shifting forces of policy concern in the Department of Foreign Affairs. Properly used, such a secretariat could strengthen collaboration with other departments by drawing promptly to their attention newly emerging problems. The Department should, however, resist the temptation to elevate in an exaggerated way international political elements in such problems to justify its own intervention. Such a practice, of which several departments complained, tends to undermine the confidence of departments in the advice of the Department of Foreign Affairs and to reduce their willingness to consult it. Equally, such departments have an obligation to consult the Department of Foreign Affairs, and to keep it fully informed, where international matters obviously are involved.

10.4.18 To assist in harmonising departmental objectives in the foreign policy field, the Commission *recommends* the judicious establishment by the Department of Foreign Affairs, in consultation with the Department of the Prime Minister and Cabinet, of task forces, study groups and interdepartmental committees to review particular aspects of policy in relation to particular countries, groups of countries, or to problems of more general significance. The Commission believes that where policy development is involved task forces are preferable to interdepartmental committees, although the results of their work in relation to a particular problem may need to be examined in due course by such an interdepartmental committee. In some cases, the work of an interdepartmental committee, such as the committee on Japan, would benefit by referring a particular problem to a task force for examination and report.[1] The work of such task forces could frequently become the basis for governmental statements and sometimes for the issue of a Green or White Paper and should therefore draw upon the resources of a number of departments, but their membership need not be constituted on a representative basis. R288

10.5 THE ADMINISTRATION OF ABORIGINAL AFFAIRS

10.5.1 The administration of Aboriginal affairs presents those responsible for it with peculiarly difficult problems and, despite patently genuine good will, energy

1. The roles of task forces and interdepartmental committees are more fully discussed in Chapter 11.5.24–26. The IDCs on Japan were the subject of a study for the Commission by Dr Trevor Matthews—see Appendix 4.J, Papers 1–3.

and dedication, their efforts are frequently received by articulate Aboriginals with dissatisfaction and even hostility. These judgments are supported by the submissions to the Commission from the Department of Aboriginal Affairs, the oral and written evidence of Aboriginal spokesmen, the views of authorities and representatives consulted and, in particular, by the report prepared for the Commission by Professor Charles Rowley.[1]

10.5.2 To some extent this situation resembles that of other countries where efforts have been made to improve the lot of depressed ethnic minorities. It illustrates the difficulty of producing rapid and evident improvement, and the tendency for hopes and aspirations inevitably to run ahead of achievement. The consequences of the past remain stronger than the outcome of contemporary policy.

10.5.3 Past attitudes, policies and actions have left Aboriginal society largely destroyed, and its people physically, intellectually and emotionally damaged. Aboriginal attitudes towards white Australians frequently are still bitter, resentful and aggressive. The small scale and the clan structure of traditional Aboriginal society, the lack of cohesion between its units, and the dispersal of Aboriginals following its breakdown in many parts of Australia have combined to make Aboriginal Australians a fragmented population among whom common attitudes and aspirations have developed slowly and with difficulty and who have found organised action difficult. It is only recently that it has become apparent (at least to white Australians) that a substantial proportion both of those Aboriginals whose pattern of life is predominantly based on Aboriginal tradition and of the urban and fringe-dwelling part-Aboriginals, share a desire to preserve a separate identity—to salvage and restore a distinctive Aboriginal culture and to resist complete assimilation into the general Australian society. Furthermore, although they differ widely in the purposes for which they would use it, both groups seek significant authority in the determination of policies and the management of programs concerned with their affairs.

10.5.4 Political and official actions, on the other hand, have been handicapped by the persistence of attitudes based on now rejected policies of assimilation and 'protection', by a profound and widespread ignorance of Aboriginal attitudes and by a lack of experience in dealing with the problems of ethnic minorities.

10.5.5 Some of these obstacles to improvement are now, although slowly, becoming less serious. It is now common ground in the policies of political parties that the aspirations of Aboriginals should be respected, and policies guided by them. Research by the Australian Institute of Aboriginal Studies and by social scientists is now steadily increasing the awareness of contemporary Aboriginal Australians. Communication between Aboriginals of differing tribal affiliation, gegraphical location and social background is also increasing rapidly. Above all, ministers and officials are learning—frequently, it is true, from their mistakes. The task of designing administrative techniques and structures which will, at acceptable cost, achieve significant improvements in material and social welfare and satisfy the aspirations of Aboriginals, remains difficult and is likely to continue to encounter resistances. In view of the conflicting nature of the material before it, the Commission considered that it should devote special attention to this problem.

1. Extracts from Professor Rowley's report can be found at Appendix 3.I.

10.5.6 An important source of difficulty is the claim by Aboriginals to authority and power in decisions about their affairs. No political party accepts the view that Aboriginal affairs should or can be the concern of Aboriginals alone. Indeed there would be agreement among them that, insofar as they call for special action or programs, these are the responsibility and concern of the community as a whole. The realities of power mean that ultimate decisions about them and the allocation of resources to them will finally be made, in present circumstances, by white decision makers. The Commission is satisfied, however, that unless these decision makers act in accordance with procedures which give Aboriginals a substantive and conscious participation in the processes of decision and, within broad limits, in the decisions themselves, programs will continue to fall short of their objectives, and resistance, hostility and a rejection of responsibility will continue to mark Aboriginal attitudes.

10.5.7 The Commission believes that such substantive and conscious participation will be promoted if:

(a) effective political means exist for the expression of Aboriginal attitudes and aspirations and the exploration and resolution of conflicts, both among Aboriginals and between Aboriginal and white Australian society;
(b) Aboriginal communities (including those within white society) can, where they wish to do so, be helped to develop institutions for the substantially independent conduct of chosen aspects of their own affairs;
(c) real power to make decisions in matters of importance to Aboriginals is entrusted to these institutions and to individuals vested with authority by the Aboriginal group affected;
(d) increasingly varied and satisfying opportunities are provided for Aboriginal energies, ambitions and creativeness.

The National Aboriginal Consultative Committee

10.5.8 Following earlier attempts to establish a national forum, in 1973 the government encouraged the establishment of the National Aboriginal Consultative Committee (NACC), a representative body of Aboriginals elected by adult Aboriginal franchise, to act in an advisory and consultative capacity to the Minister and the Department. So far the experiment appears to have satisfied none of those concerned.

10.5.9 Its members complain of their lack of real power and of the failure of the Minister and the Department to seek or follow their advice. At the same time, the Department believes that the Committee's advice is seriously heeded and influences departmental advice to ministers. Aboriginals generally, and particularly those involved in local community affairs, complain of the NACC's failure to communicate with them or to represent them effectively. Despite the Department's claim, it seems that the administration is uncertain about the Committee's role, sceptical about its capacity for executive responsibility and suspicious of domination of tradition oriented Aboriginals by more politically sophisticated and aggressive urban Aboriginals.

10.5.10 However, some kind of representative body appears essential to provide a forum for Aboriginals and to assist in resolving conflict, and, despite its weaknesses, the NACC exists and has begun to learn its job. It would seem good sense, therefore, for the government and the Department to give it increasing R289

recognition and to collaborate with it in improving its composition and performance and strengthening its authority. Its greatest weakness as an effective instrument of Aboriginal authority appears to be that, at the local community level, it is not accepted as representative and that its relationships with that level are ineffective. Three suggestions have been made which could help overcome these weaknesses:

(a) that, in future elections for the NACC, candidates should be eligible only if they are office holders of an Aboriginal Council or incorporated society and their nomination is supported by it;

(b) that one member be elected as at present but for each electorate there be a second member who would be required to be such an office holder;

(c) that for each electorate a second member be chosen by the Chairmen of the various Councils and incorporated societies from their membership.

R290 10.5.11 The Commission *recommends* that these possibilities and the suggestions contained in the following paragraph be referred to the NACC, and to the recently appointed committee on the future of NACC, for their consideration.

R291 10.5.12 The Commission *suggests* that the NACC or any representative body which succeeds it would be strengthened if:

(a) the government provided accommodation, facilities and finance for a permanent NACC secretariat;

(b) the Department released, without loss of salary or status, public servants whom the NACC wishes to employ and who wish to work with it;

(c) the Department assisted NACC members to develop their role as 'ombudsmen';

(d) the Department and the NACC arranged with the Australian Institute of Aboriginal Studies and Centre for Continuing Education (Australian National University) to conduct regular training courses for NACC members to cover topics such as Aboriginal culture and tradition, the more important components of policy involved in Aboriginal affairs, a general background to the work of the government and some procedural aspects of the NACC and similar bodies;

(e) arrangements were made with the same educational institutions for regular seminars for NACC members on different policy aspects of Aboriginal affairs;

(f) the NACC were closely involved in advising the Department of Aboriginal Affairs on priorities on expenditure and on Aboriginal responses to its work;

(g) NACC executive members with responsibility to the Committee for specific aspects of Aboriginal affairs were given direct access to the appropriate ministers (Social Security, Housing, etc.) and to appropriate officers in their departments;

(h) the NACC were given control of the funds for its own administration and were assisted in setting up appropriate controls for those funds.

Commission or Department?

10.5.13 The NACC and some Aboriginal leaders believe that action at the political level (through the NACC) would be insufficient. They urge greater Aboriginal authority through a Commission with statutory powers which would replace the Department. The concept of the Commission has not been clearly

defined. Mr Charles Perkins, in his oral evidence to the Commission, spoke sometimes as if the NACC would itself become the Commission, but more generally the concept appears to provide for an executive Commission, with the NACC performing more deliberative, advisory and review functions.

10.5.14 The main reasons advanced by various Aboriginal spokesmen for a Commission are that:

(a) a traditional department is likely to be dominated by white career-minded public servants with neither the necessary knowledge or understanding of Aboriginals nor dedication to their interests;

(b) a traditional department is unlikely to be sufficiently free of central bureaucratic restraints to be able to deal expeditiously with the urgent problems facing Aboriginals;

(c) a traditional department, even with an enthusiastic minister, is unlikely to have sufficient political 'clout' to obtain the resources necessary;

(d) Aboriginals are unlikely to identify with a government department and are unlikely to work happily within it;

(e) a Commission would be better placed than a department to stimulate the performance of functional departments insofar as they affect Aboriginals, and to co-ordinate or contract out their work;

(f) a Commission, if it included members of the NACC executive and other Aboriginals, would provide a more effective channel for grass-roots Aboriginal influence on policy and administration than the alternative of appointing additional Aboriginals to the staff of the Department.

10.5.15 The Commission does not accept the validity of many of the criticisms implied in these reasons and, furthermore, thinks it likely that the comments which are valid would be equally applicable to a Commission and its staff. The Aboriginals expressing preference for a Commission are, it seems to us, guided by the expectation that it would give greater authority and opportunity to Aboriginals. Whether this would be so would depend upon the constitution, powers and staffing of the Commission.

10.5.16 There is, of course, nothing sacrosanct about the departmental style of organisation, but in Chapter 4.3 of this Report we have concluded that it is generally the most appropriate for giving effect to programs reflecting the policies of particular ministers and governments, while acknowledging that there are circumstances where a statutory agency may be preferable. It could be that, as a political consensus about policies in Aboriginal affairs develops and functional departments come to perform as adequately for Aboriginals as for other Australians, the establishment of a Commission to replace the Department would be justified. We do not consider these prerequisites are met at present. It is, however, an issue which might well be reconsidered from time to time.

10.5.17 In the meantime, we believe that important improvements are possible in the administration of Aboriginal affairs through:

(a) changes within the Department;

(b) the growth of Aboriginal institutions;

(c) the increasing participation, at the policy level, of representatively chosen Aboriginals;

(d) the increasing participation of Aboriginals in administration and service delivery.

10.5.18 Within the Department, the Commission has the impression that some members of staff have become tired and disillusioned by the strain and disappointments of this exacting work; some lack any real commitment to its purposes or to contemporary policies based upon changed objectives. There is therefore a need both for the recruitment (for short terms if necessary) of those with a firm desire to work in this field, and for a positive program of counselling and placement in other work of those who are or have become unsuited to it. Secondment for a period of years could prove a useful device. The Commission endorses the departmental view that responsibility for functional programs for Aboriginals, even when they have distinctive qualities, should be with the department responsible generally for such programs. However in centres where Aboriginals form significant communities there may be value in developing for them offices in which various departments and agencies including those of other levels of government, are brought together along the lines of the NOW
R292 experiment (see Appendix 2.F). The Commission *recommends* that the Department explore this possible course of action.

10.5.19 The contribution of the last three developments mentioned in paragraph 10.5.17 will increase as Aboriginals, by training and experience, acquire increasing knowledge and capacity. Increasing participation at the policy level could, the Commission believes, be stimulated by the adoption by the Minister for Aboriginal Affairs of an experimental technique for adding Aboriginal sources of advice to those from the Department. In Chapter 4.3.45–47, we have suggested that a minister wishing to have continuing access to non-departmental advice could do this, while integrating it with that of his departmental advisers, by establishing some form of advisory machinery. An adaptation of this proposal appears to the Commission to be eminently suitable for Aboriginal affairs.

R293 10.5.20 The Commission *recommends*, therefore:

(a) that the Minister for Aboriginal Affairs appoint a Ministerial Council—a possible membership might be: the Minister (Chairman), the Secretary to the Department (Deputy Chairman), the Chairman of the NACC (Deputy Chairman), four departmental members from departments having substantial responsibilities for Aboriginals, four executive members of the NACC, two Aboriginals chosen by the Minister from a panel submitted by the NACC so as to ensure regional and cultural balance;

(b) that the functions of the Ministerial Council be
  (i) to advise the Minister and the Secretary of the Department on policy and administration,
  (ii) to help co-ordinate the work of various departments insofar as they affect Aboriginals,
  (iii) to receive reports on progress in the achievement of policy objectives from functional departments and from regional and community committees,
  (iv) to improve liaison and communication with NACC and other Aboriginal Councils;

(c) that the Ministerial Council meet each month and be serviced by the Department;

(d) that, at regional and community levels, committees presided over by the Chairman of the relevant Aboriginal Council be established, with their

membership following the pattern of the Ministerial Council, to co-ordinate the work of departments, Aboriginal Councils and other organisations;

(e) that the co-ordinating and review committees at regional and community levels report to the Ministerial Council half-yearly.

Community Institutions

10.5.21 Many of the difficulties encountered in the administration of Aboriginal affairs arise from the lack of appropriate indigenous institutions within Aboriginal communities for the performance of tasks they wish to undertake. In northern and central Australia, Aboriginal Councils, deriving authority in part from traditional practice and in part from government, have developed in Aboriginal communities and have been entrusted with increasing responsibilities arising from government policies.

10.5.22 The Commission had the opportunity to see some such Councils at work, and was impressed with their increasing competence. However, most of these Councils are still learning their job, are uncertain of their authority, and lack clarity about their relations with the government and its agencies and the degree to which they can rely upon government support.

10.5.23 In more urban environments the problem is even more difficult. In New South Wales, the Aboriginal Foundation, the Aboriginal Legal Service and the Aboriginal Medical Service have emerged from collaboration between radical Aboriginal and sympathetic professional groups. Other similar organisations have developed in other States and regions. Their influence has been important, but their experience has been varied and there has been a high rate of failure, of administrative breakdown and internal dissention.

10.5.24 The Department has sought increasingly to support the development of these organisations and to entrust administrative and executive tasks to them, and has carried out programs designed to strengthen them and to train their executive and staff. These efforts have encountered problems and often failure. The Commission believes that these problems and failures do not justify a withdrawal of support and authority from them. Error is the price of learning and of responsibility and cannot wholly be avoided. The availability, on request, of advice, expertise and training, and the application of guidelines for self-discipline and control can, however, minimize it.

10.5.25 The Commission *recommends* that the policy of steadily shifting responsibility for appropriate local and community tasks to Aboriginal institutions should be confirmed. It believes also that a systematic study of the prerequisites of success for emerging institutions will help ensure that undue burdens are not placed on them prematurely, and that they are helped to follow and to build on successful examples. We *recommend* that the Department and the Australian Institute of Aboriginal Studies collaborate in studies of this kind and in the dissemination of their outcome. R294 R295

Increased Aboriginal Participation in Administration

10.5.26 The recommendations above will, the Commission believes, do much to increase Aboriginal influence on and participation in the processes of government which deal with their affairs, especially in matters relating primarily

or exclusively to Aboriginals. They are, however, unlikely to satisfy legitimate Aboriginal aspirations until those employed in these processes include a substantially higher proportion of Aboriginals than at present at all levels of work and responsibility and until opportunities for Aboriginals in this and other governmental work are seen to correspond more closely with those open to other Australians. Detailed recommendations for moving towards these goals are contained in Chapter 8.3.

Review and Assessment

10.5.27 This Report has emphasised frequently the need for the progressive assessment of government programs. Nowhere is it more acute than in Aboriginal affairs. The complexity of the problems and the unexpectedness of many of the difficulties which have been encountered in carrying out apparently well-founded programs emphasise this need.

10.5.28 Some programs which have significant measurable indicators of success will be easier to assess (for example, health or infant and maternal mortality). Others, such as those aimed at the encouragement of a conscious and independent Aboriginal identity and a developed capacity in Aboriginals to manage their own affairs, will remain more elusive for the assessor. Modern research techniques can, however, be used. The research should be fostered to develop in the field of Aboriginal administration measurable indicators of various components of
R296 welfare. The Commission *recommends* that the Department of Aboriginal Affairs and the Australian Institute of Aboriginal Studies collaborate to stimulate this work.

10.5.29 At Chapter 11.5.20 the Commission recommends that the Department of the Prime Minister and Cabinet should be responsible for progressive reviews of
R297 the effectiveness of government programs. It *recommends*, accordingly, that the Departments of the Prime Minister and Cabinet and of Aboriginal Affairs should set up an external group to assess the long term results flowing from governmental programs in Aboriginal affairs and to provide a continuing basis for future assessment.[1] These assessments should be based in part upon uniform statistical and factual data from Aboriginal communities and upon the reports of the regional co-ordinating and review committees reporting to the Ministerial Council which would be appointed by the Minister for Aboriginal Affairs (see paragraph 10.5.20 above). They should take into account the outcome of the research sponsored by the Department and the Institute relating to the identification and measurement of indicators of Aboriginal welfare.

10.6 WOMEN

10.6.1 The Commission's general responsibility to comment on machinery of government, and evidence of the community's heightened awareness of the need for a specific capacity in the administration to consider the impact of government policies and programs on women, necessitate some observations on administrative arrangements which have a bearing on the position of women.

10.6.2 The Commission's call for submissions brought a considerable response from women's groups—for example the Women's Electoral Lobby, Women in

1. The Commission is aware of the inquiry into services for Aboriginals announced by the government late in January 1976, but not of the procedures adopted or the outcome of its inquiries.

Australian Government Employment, the National Council of Women, YWCA— and from individual women. In addition, the Public Service Board, staff associations and community organisations commented both on the employment of women (discussed in Chapter 8.3) and on the problems of women as clients of the administration. Evidence was also given before the Commission and at public meetings.

10.6.3 In response to the high level of interest in these matters, the Commission published in August 1975 a discussion paper prepared by staff members, *Sexism in Public Service*, as a means of taking the relevant issues to a wider audience. The paper examined patterns of employment of women in the administration, and gave some consideration to the adequacy of existing administrative machinery for the execution of the government's responsibility for the welfare of all women. Responses to the paper both from within the administration and from outside, together with the Commission's own research and the evidence put before it, have provided a foundation for the views and recommendations contained in this section of the Report.[1]

10.6.4 The Commission recognises that social changes in the twentieth century have greatly changed the role of women. The largely domestic role traditionally assigned to them in our society has been modified partly because of declining birth rates, increased educational opportunities, increasing participation of women in the workforce and resulting changes in the aspirations and expectations of women themselves.

10.6.5 The institutions of society have been slow to respond to the changing role and needs of women[2], especially to the increasing numbers of working women[3], or to acknowledge the subtle but real impediments to opportunities for full development of their ability and potential in the workplace. These impediments include a generally lower level of formal educational attainment, career aspirations depressed by social conditioning[4], the concentration of women in a narrow range of occupations characterised by relatively poor conditions and rates of pay[5], and interruptions to careers for the purpose of bearing or caring for young children, responsibility for whom has traditionally been assigned in our society to women. These factors are reflected in the high incidence of poverty, dependence and unemployment amongst women.

10.6.6 It has been put to the Commission in submissions and in response to the publication of the discussion paper that the administration reflects male orientations and life-styles and that some new arrangements are needed to ensure

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1. See Appendix 3.J for a selection of submissions, the major conclusions and recommendations of the discussion paper, and responses to the paper.

2. 'If it were only a question of attitudes, however, the problems of women in Australia would not be so serious. But it is a characteristic of Australian society, as it is of all societies, that attitudes become enshrined in a nation's institutions. And when, as in Australia, discrimination against women is characteristic of the institutional arrangements in the country, the problem for women becomes well nigh intractable.'
   Margaret Power, *The Wages of Sex*, Australian Quarterly, Vol. 46, No. 1, March 1974.

3. See Ryan and Conlon, *The Gentle Invaders*, Nelson (Sydney) 1974. Ann Summers, *Damned Whores and God's Police*, Allen Lane (Melbourne) 1975. Encel, McKenzie and Tebbutt, *Women and Society*, Cheshire (Melbourne) 1974.

4. See *Girls, Schools and Society*. Report by a Study Group to the Schools Commission, November 1975.

5. See Margaret Power, *The Wages of Sex*.

adequate consideration of the needs and interests of women in the formulation of policy, the implementation of programs and the delivery of services.[1] The need for such arrangements is underlined by the absence of women from senior positions in the Service[2] and the consequent lack of opportunities—with exceptions discussed below—for female participation in policy decisions which vitally affect the welfare of women and men in the community.

10.6.7 The longest established administrative unit concerned with women's affairs is the Women's Bureau, originally the Women's Section, established in 1962 in the then Department of Labour, now Employment and Industrial Relations. The Bureau has made a significant contribution to the welfare of women in the Australian community by undertaking or sponsoring studies of trends in women's employment and so providing vitally necessary information on which informed policy decisions may be based. In addition the Bureau has some capacity to contribute to policy developments. More recent initiatives include the appointment by the Schools Commission in 1974 of a committee to study the effects of social change on the educational needs of women and girls (the report of the committee, *Girls Schools and Society* was published in 1975); the appointment of a National Advisory Committee for International Women's Year, which in addition to planning events to mark the year was responsible for research grants totalling $2 million; and the creation in 1974 of a Women's Affairs Section, upgraded in 1975 to a Branch, in the Department of the Prime Minister and Cabinet.

10.6.8 The Commission attaches considerable significance to the potential of the Women's Affairs Branch, during the years when the discrimination inherent in Australian institutional arrangements is being modified, to contribute to the welfare of women and to assist in the eradication of discrimination. Its access to Cabinet submissions has made possible for the first time adequately informed comment on the likely impact on women of evolving policies, and provides an opportunity to influence the thrust and content of such policies. At the same time the Branch is involved in preparation of responses to representations made to the government by women's organisations and individual women. Through this work and the contacts it has developed itself, it is able to act as a channel of communication between government and women in the community. Accord-
R298 ingly the Commission *recommends* that the Branch be maintained and strengthened.

10.6.9 We have considered the suggestion that the work of the Women's Affairs Branch and the Women's Bureau be complemented and reinforced by the creation of women's policy units in other departments, especially those with substantial functional responsibilities and a high proportion of female clients, for example, the Departments of Social Security, Education, Health, Immigration and Ethnic Affairs, Aboriginal Affairs, and those policy departments whose work has significant implications for women as well as men, such as Environment, Housing and Community Development. Additionally, the need for a unit in the Attorney-General's Department has been suggested, so that

1. See comments on the paper by the Royal Commission on Human Relationships, the Department of the Prime Minister and Cabinet and the Women's Electoral Lobby, Appendix 3.J.
2. See Chapter 8.3 and Appendix 3.A, Paper 10, The Illusion of Equality.

the implications of legislation and legislative change for women can be considered. Those who have commended the establishment of such units have emphasised the value of making use of the specialist expertise available within functional departments to review existing programs, initiate programs for which a need is seen, and influence the development of new policies at the point of origin.

10.6.10 The Commission acknowledges the logic of these suggestions. We also recognise their potential to increase the participation of qualified women in decision-making. However, we see some risks in the widespread development of such units. They introduce a principle of organisation based on social groups rather than function or content which in the long run we regard as undesirable. It is possible that their existence may entrench sexist attitudes rather than promote a common pursuit of policies and attitudes which offer the maximum scope for new development of individual and group capacities. However, we are conscious that the rejection of special measures to modify discriminatory aspects of existing institutions may inhibit or prevent necessary change. We think that there is scope for experiment in this matter.

10.6.11 We *recommend* therefore that some of those departments referred to in the previous paragraph be encouraged to develop women's policy units on an experimental basis, and that their effectiveness be assessed at the end of a three year period. One of these units should be established in the Department of Social Welfare (see section 10.3) since there is a predominance of women among the clients of the agencies to be co-ordinated by this Department. In the meantime, we suggest that the Women's Affairs Branch confer with the remaining departments on existing organisational arrangements which would ensure special attention to matters particularly concerning women. The results of these arrangements and the activities of the women's policy units could then be compared as a guide to future action. R299

10.6.12 Policies and programs affecting women need to be soundly based on relevant information. The Women's Bureau has over the years been a source of reliable factual information and analyses of women's employment; it is time that other facets of women's problems were the subject of similar research. The creation of a Bureau of Social Policy has been recommended earlier in this chapter (paragraph 10.3.23); we *recommend* that it be responsible for the initiation and conduct of specific studies relating to women. It should of course be open to departments or to units especially concerned with women's affairs to request the Bureau of Social Policy to provide or to arrange the provision of information on specific matters. The Women's Affairs Branch could well accept responsibility for monitoring the scope of these studies, consulting as necessary with policy units and with the Office of Equality in Employment in the Public Service Board (see Chapter 8.3) and other similar units. R300

10.7 INFORMATION

10.7.1 Information is power. It gives distinctive strength to those who possess it: to public servants, to individuals or groups who may have access to it. The classical dictum of Lord Acton that all power tends to corrupt has application to this as well as other forms of power. Because information is power and is capable of abuse, questions of access to it, of authority to withhold it and of the privacy of those who supply the data on which it is based are of much importance.

10.7.2 One in ten of the submissions received by the Commission was critical of the way information is gathered, used and disseminated, or not disseminated, by the bureaucracy. There were criticisms of a lack of effective communication between managers and subordinates and there were complaints about the lack of co-ordination of the various services which provide information either to the public or to the administration, such as libraries, registries and information sections.

10.7.3 Taken as a whole, the Commonwealth administration has more information available to it than any other entity in Australia. Probably the largest amount is collected as a byproduct of the discharge of the varied functions of Commonwealth agencies—in the welfare field, in defence and external relations, in customs, in taxation and so on. More information comes from a wide range of individual and institutional communications with the administration. Information is also directly collected for the purpose of developing statistics and other organised data for use by the administration and the public—a function largely but not wholly carried out by the Australian Bureau of Statistics. Finally, repositories of information have been established from which it can be made available to those who wish to use it—a function which both the National Library and the Australian Archives discharge.

Information for the Administration

10.7.4 Information is essential to the process of administration. Without it the policy process can be inadequate, administration may be insensitive or inefficient, and management ineffective. No matter how skilled the personnel of an organisation, how sophisticated their techniques or how perceptive their judgments, their work can be nullified or seriously prejudiced by the absence of adequate information.

10.7.5 Our studies have convinced us that the management systems of government have failed to develop adequately the information resources at their disposal, to integrate them fully into the decision-making processes and to ensure them proper dissemination.

10.7.6 Throughout our Report we have identified specific situations in which improved information flows can lead to better administration. In Chapter 3 we have emphasised the need for improved systems of communication as a basis for accountable management.[1] In Chapter 5 we refer to the need to improve the provision of information held by the administration to the Parliament and to the information needs of individual members of Parliament; in Chapter 6 we have urged that decision makers and managers take into account information about community views and aspirations; in Chapter 7 we have emphasised the need to provide information at outposts as a basis for prompt local decisions; in Chapter 9 we have pointed to the role of information in promoting better management; and a recurring theme in our examination of special problems in this chapter has been the need for better flows of information within the system and between the administration and the community. In Chapters 4 and 11, we point to the dangers of departments, particularly the co-ordinating agencies, regarding as 'their own' information they obtain in the course of their work. Having identified so many areas where information needs to be developed within the adminis-

1. See also Appendix 1.E.

tration, we now consider some general aspects of the development task and of public access to government information.

10.7.7 **Information for policy:** The OECD Ad Hoc Group on Scientific and Technical Information[1] pointed to the rapid growth in information available and to the importance of ensuring that it is harnessed effectively. It commented:

> 'The organised processing and exchange of information has reached a peak of sophistication in certain fields of professional specialisation. The logical structure and basic language of science is designed to facilitate the organisation and creative use of technical information. Great progress in this direction has also been made in the social sciences. Contemporary technology for information handling now permits more efficient storage, retrieval, and exchange of information between specialists. But the challenge of modern societies is the effective use of such specialised information to guide the destiny of those societies.'

10.7.8 Departments need to respond actively if they are to keep pace with these developments and take advantage of the possibilities of such sophisticated technology. The Commission commends for consideration the recommendation by the OECD group that:

> '. . . governments at the highest level accord priority attention not only to the development of policies for the generation of scientific and technical information but also to the development of policy for the efficient and prudent use of such information in policy formulation, in the conduct of the affairs of government and in R and D management.'[2]

While much of the responsibility for recognising the relevance and potential of information technology must remain with departmental management, we consider the Public Service Board should play a part in keeping them informed and in stimulating and monitoring developments, especially through its membership and work for the National Information Advisory Council which is discussed in paragraphs 10.7.30–32 below.

10.7.9 **Registries:** Registries, with their responsibilities for handling correspondence and other documents placed on files, are still the central information storage, retrieval and control point for most Commonwealth agencies, and even with greater use of ADP they will continue to be of critical importance to the operation of an agency. Indeed the integration of data embodied in registry files into the ADP system may well be one important development in this field. Yet, in spite of its central role, the registry is usually staffed by junior officers with minimum qualifications and no formal training, and technological development has often been minimal. Many individual registries are therefore seen to be below the standards of efficiency which their importance seems to demand.

10.7.10 The Commission engaged consultants[3] to carry out a series of case studies of individual registries in as wide a range as possible of government organisations. The key finding, which has been largely endorsed by the Public Service Board, the Australian Archives and the Treasury and others to whom copies of the report were sent, is that:

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1. *Information for a Changing Society*, OECD Paris 1971.
2. OECD Report, page 41.
3. Cruikshank and Partners. Extracts from their report are contained in Appendix 4.D.

'. . . the registries which had least trouble in keeping to set procedures in an orderly way were those which received attention from a reasonably senior departmental officer. Typically, this man headed or was a particularly forceful member of the management services function so that he occupied a suitably dominant cross functional role. He was likely to have achieved a sufficient modification of registry practices and an adequate subjugation of action officers to produce a workable arrangement. If a registry is simply invested with the normal formal authority and then gets no particular higher management attention, it will almost certainly fail to do much more than open and direct correspondence and provide a messenger service.'

10.7.11 The Commission regards this as a realistic assessment of the need
R301 registries have for senior managerial support and encouragement. We *recommend* that:

(a) registries be integrated more effectively into the managerial and administrative structure and process of departments and agencies, with better lines of communication to improve services and resolve problems;
(b) group organisation of registry staff be investigated by departments not using these methods;
(c) training be improved for registry users and staff.

10.7.12 **Automatic Data Processing:** ADP is used as a storer and processor of information and is therefore an important tool of management. The need for a central authority to develop and monitor its use was canvassed by the Public Service Board in a Memorandum (No. 17) to the Commission. We appointed a consultant[1] to examine the present use and practice in relation to ADP. The report of the consultant and discussions based upon it point to the need for more expert technical advice; greater standardisation; and more effective sharing of communication networks.

10.7.13 The Commission believes that this rationalisation of ADP use as well as its further development and up-dating will be made easier by a concentration of sources of technical expertise and advice on policy. On balance it seems appropriate and consistent with our recommendations in Chapter 11.6 that this
R302 function be concentrated with the Public Service Board. We *recommend* that a small but expert group be developed within the Board, staffed to a large degree by rotation and maintaining effective communication with centres of expertise outside the administration:

(a) to service the interdepartmental committee on automatic data processing;
(b) to provide advice on the development and use of ADP;
(c) to monitor and review the ADP activities of the departments, particularly in relation to the observance of standards and the sharing of network potential;
(d) to develop a code of ethics for computer operation and use.

10.7.14 The development of this group in the Board will not eliminate the need for the standing interdepartmental committee on ADP. Indeed the work of that IDC may become more important as the Forward Estimates process is developed. It should however make it possible to give the IDC's decisions substantial

1. Professor C. S. Wallace, whose report, with a staff paper based on its conclusions, is in Appendix 4.D.

authority and avoid the duplication of clearance procedures which appears to exist at present.

10.7.15 A submission from Mr J. B. Thacker[1] drew attention to the very real risks of misuse of data recorded on ADP and of the difficulties of protecting its confidentiality. He urged the establishment of a body authorised to hear, examine and act on complaints both from within the Public Service and outside in respect of data held by the administration, as to its accuracy, methods of acquisition and use. The Commission is satisfied that problems exist and will develop in this area, and that research and study of the issues as a basis for action is desirable. We consider that the Board's specialist staff should look further into this matter and if necessary recommend suitable legislation. The terms of reference of the Law Reform Commission's inquiry into privacy include investigation of the integrity of computer data.

10.7.16 **Statistics:** The importance of statistics has been recognised progressively by the establishment of a separate bureau, and now of a statutory body, the Australian Bureau of Statistics, to obtain and process information and to guarantee secrecy and professional standards of accuracy and interpretation. Earlier in this chapter (paragraph 10.1.31) we have suggested the need to attach the Bureau to a service department and for it to work for all or many departments, contributing equally to the needs of policy-making units in all fields of government.

10.7.17 The Committee on Integration of Data Systems, which reported in 1974, suggested that efforts be made to ensure that official data systems are mutually compatible. It drew attention to a serious lack of co-ordination in existing systems, with separate departments operating data systems independently of one another, on inconsistent bases, and without adequate consultation.

10.7.18 These recommendations have not yet been adequately put into effect and there remains substantial scope to reduce costs and to rationalise the demands on those who provide information. We note that the Australian Statistics Act provides for the appointment of an advisory council to the Statistician, and *recommend* that this provision be implemented promptly and that the council's members be selected so as to ensure representation of the wide variety of actual and potential users of statistics as well as of those who supply or process the material. R303

Public Access to Information

10.7.19 The Commission has generally emphasised the need for wider public access to information in the possession of government agencies. Governments and their officials insist that they must restrict public access to the information they hold on grounds of national security, to protect the privacy of individuals and respect confidences reposed in them, and to permit and facilitate effective working of the administrative machine. The proponents of open access have emphasised that governments operate essentially for and on behalf of citizens, that they function better when minimum restrictions are imposed on access to the information they hold, and that openness promotes an aware and participatory democracy.

1. Submission No. 186.

10.7.20 While there is no simple solution to the problems of determining what can properly be withheld, the general sentiment and expectations of the community have been changing consistently in the direction of requiring more openness and access to information gathered and held in its administration. This fact is a starting point for the consideration of issues of detail in the following paragraphs.

10.7.21 **Freedom of Information legislation:** The emphasis of much of what we have said in our Report is on openness, as a means of stimulating efficiency, responsiveness and accountability in the administration. It remains, however, difficult to determine just where the right of access to information should stop. The interdepartmental committee established by the Whitlam government interpreted the requirement that it should develop proposals for freedom of information legislation consistent with the Westminster style system, as necessitating not only a large number of exemptions from disclosure, but also the reservation to ministers of the final responsibility for disclosure of certain categories of information. An alternative approach is represented by a draft Bill which was produced by a consultant to the Commission in association with Commissioner Munro, which provides that departments should be obliged to maintain and publish lists, indexes, etc. of material held, and to provide information on request, subject to specified exemptions and to review of decisions to refuse access by the Administrative Appeals Tribunal.

10.7.22 The majority of the Commission, while urging greater openness and freedom of access to information about governmental processes, and agreeing that legislation could well contribute to these objectives, has felt it to be inappropriate to endorse or recommend a specific draft Bill. A minority report by Commissioner Munro on Freedom of Information, which includes the draft Bill and an Explanatory Memorandum, appears at Appendix 2.A. We consider every reasonable attempt should be made to provide individuals and community groups with access to much information which until now has been the privileged possession of ministers and public servants. At the same time, difficult problems will remain to be resolved if improved rights of access are to serve the desired purposes. For example, a great deal of material currently made available represents a waste of resources (see paragraph 10.7.24). Furthermore 'snowing' with information is a recognised technique of obfuscation. Nevertheless, a general disposition to openness where possible would certainly give a sounder basis for community judgment and participation.

10.7.23 In this context, we note that Canada has relied on administrative rather than legislative measures and that a committee of the Canadian House of Commons has been reviewing the effect of the guidelines governing access to official information which were issued in 1973. These guidelines required departments and agencies to produce, on notice of motion by the House, government papers, documents and consultant reports, except where they fell within the scope of 16 specified categories of exemption. The guidelines came to be used in determining not only what papers would be produced to the Parliament, but also the form of answers to parliamentary questions and of responses to citizens' requests. We understand that in the Netherlands there has been no legislation but a continuing relaxation of restrictions on access by administrative means.[1]

1. See Appendix 2.A, Introduction, paragraphs 22–3.

10.7.24 **Departmental information services:** Many departments and authorities have established units to provide information for community use. It emerges from a questionnaire sent by the Commission to 43 departments and statutory bodies early in 1975 that 28 of them have specially designated information sections and a further five were planning to establish one. These sections, which employ some 800 people and whose direct costs appear to be over $50 million a year, emphasise the publication of material for distribution. The content is determined by the department or agency, but much of it appears to lack a clear objective or program and only thirteen of the respondents have sponsored or undertaken systematic assessment of the effects of these programs. From 25–80 per cent of requests for published material from different departments and agencies come from school children. The Commission doubts the value of much of this department sponsored work. Its relevance to the information needs of the public and its cost effectiveness can be seriously questioned. Furthermore much of it is propagandist in style and purpose. If it is to be continued there is a clear need for its control by information specialists rather than predominantly by journalists as at present.

10.7.25 An associated question is the relationship between officials and representatives of the media. Mr Geoff Allen prepared a report on a consultancy basis entitled 'The Press and the Public Service'[1] in which he concluded that departments should keep their relations with the media separate from publications and publicity. He expressed the view that journalist qualifications should not be prescribed for departmental positions established to provide information to and conduct departmental relations with the media. Media relations staff should be given, as a primary task, the responsibility of facilitating contact, rather than being a buffer, between the media and senior officers and functional specialists in departments. On this basis, one or at most two officers are likely to be enough staff for most departments, and we suggest the foregoing as a basis for departmental action. R304

10.7.26 In relation to the preparation of publications and general material for dissemination, the Commission *recommends*: R305

(a) a review of departmental information programs and of the qualifications required for those staffing information sections;
(b) a review of the levels at which approval can be given to the release of non-political information (markedly different delegations exist in different departments);
(c) systematic evaluations of the effects of information programs by setting measurable information objectives and priorities;
(d) a central professional body to monitor the relevance and objectivity of departmental publications.

The Advisory Council which we suggest at paragraph 10.7.31 might be a suitable body to carry out these recommendations.

10.7.27 **Information for Parliament:** The Parliament already receives a substantial volume and range of information through reports and other formal documents such as the budget papers, as well as through less formal means, of

1. Portions are reproduced in Appendix 2.J.

which answers to parliamentary questions are the best known.[1] Members of Parliament have stated that the sheer volume of material they receive makes systematic use of it difficult. The Parliamentary Library Research Service meets specific requests from members, and often provides a liaison with departments holding additional material. However, the service for members could be more
R306 systematic and comprehensive. The Commission *recommends* that the Parliamentary Library Research Staff confer with departments to explore means by which departmental material can be made more timely and more relevant.

10.7.28 **Library and Archives:** Libraries in Australia are currently experiencing rapid development, both in integration and in the use of more sophisticated techniques. The National Library's initiative in linking libraries in an information service focusing on the National Library (ALBIS) is the foremost example of such development. The Australian Archives is charged with providing access for those within and outside the administration to papers no longer in current use in departments. Because of the content of the papers, access to them is less readily obtainable than it is to papers held by the National Library and other libraries. While for some papers the maintenance of a 'closed' period is justified, standards appear to be excessively severe and the Commission believes that restrictions on access should be kept to the minimum consistent with safeguarding strictly defined national interest and the rights of individuals to privacy.

R307 10.7.29 In general, the Commission *recommends* that steps be taken progressively with a view to improving the flow of information to the community. In particular, we *recommend*:

(a) that distribution of information on existing and proposed government programs be improved by making such information available at many more locations—schools, universities, hospitals, workplaces, libraries, community centres, learning exchanges and departments—and better publicised through talks, use of Community Newsletters, etc.;

(b) that such information be in diverse forms—pamphlets, tapes (audio and visual) and both on loan and for sale;

(c) that more information be made available to the public about the organisational structure of the administration (including names and telephone numbers of a contact person and of key officials), and that shorter, simpler versions of departmental handbooks should be prepared, and be available on request;

(d) that names and contact points of action officers be added to outgoing correspondence and that officers in direct contact with the public always be identified by name tags or signs;

(e) that wider use be made of 'Green Papers' to open up public debate before programs are finalised;

(f) that in relation to legislation there be, where possible, wide consultation with interested groups before Bills are prepared, and a period during which the Bills are allowed to lie on the table of the Houses;

(g) that a description of programs under which funds are available for group activities be produced and widely circulated—these should include information about the department and section responsible;

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1. See Chapter 5.1.8–9 and 5.2.6–7.

(h) that all such information be designed to meet the needs of the potential users—where necessary it should
  (i) be multi-lingual,
  (ii) refer specifically to the department or agency concerned and points of contact,
  (iii) state conditions which must be met by applicants for benefits reviewed,
  (iv) specify documents which applicants are required to produce.

Co-ordination and Review of Policy and Administration

10.7.30 Each of the main sources of information, including the Bureau of Statistics, the National Library and the Australian Archives, has major responsibilities and many problems of its own to be resolved. The administration has problems of its own, some of which are of direct relevance to these main sources. The need to tackle these separate problems has tended to inhibit the development of a coherent policy and strategy for the information function generally. This tendency may well be intensified if the structure of separate advisory bodies envisaged develops along lines now proposed. The Commission believes that joint means must be devised to grapple with the expanding quantity and potential use of information as identified in the OECD report to which we have referred (paragraph 10.7.7). This joint consultation should supplement measures being taken to expose each information agency and the administration generally to the effective influence of its own clientele. One result of the joint discussions may also be to stimulate each agency's capacity to meet demands made upon it.

10.7.31 Accordingly, we *suggest* that consideration be given to establishing a Commonwealth Information Advisory Council under an independent chairman, and including representatives from community users of the information held by the Commonwealth government. Other members of the Council would be the Australian Government Statistician, the Director-General of the National Library, the Director-General of Archives, a member of the Public Service Board and some representatives from departments (including at least one with a major computer installation). The primary purpose of the Council would be to advise the Commonwealth government on the development of a comprehensive information policy, to review significant technological developments, and to provide a forum for consultation between specialist information agencies. It should report annually, and by special reports if the occasion demanded, to the Minister for Administrative Services. It would advise on: R308

(a) the development of policies for the generation and the efficient use of information within government administration, and for making the information available outside the administration;
(b) desirable changes in the form and content of information made available by each of the three main sources;
(c) desirable improvements in users' access to particular classes of information;
(d) the priorities to be attached to proposed developments.

10.7.32 The Public Service Board should be ready to assist the Council and, in association with it, review departmental activities in the information field. The Council itself should be serviced by a small secretariat within the Department of Administrative Services, with many of the secretariat's staff being on rotation.

Chapter 11 Co-ordination and Control

11.1 CO-ORDINATION AND POWER

11.1.1 The minister and his department together form the basic standard unit which wields the executive power of government. It is certain that occasions will arise on which individual ministers and their departments will seek to exercise their powers to a degree or in ways which ignore, or seek to ignore, constraints necessary for the success of the government as a whole and the welfare of the community. Essential, therefore, to any form of government in which authority is entrusted to a number of ministers will be the means by which the discipline of such constraints is made effective.

11.1.2 Broadly, these constraints are of two kinds. The first derives from the fact that a minister shares a collective responsibility with his colleagues (see Chapter 4.1). He is a member of a government with a broadly-stated policy and political philosophy. He is a member of a Cabinet or Ministry which must approve major decisions he may wish to make. The scope of his portfolio cannot be precisely delimited: it will bear upon, and be borne upon by, those of his colleagues, and to a significant extent it competes with some of them.

11.1.3 The second kind of constraint derives from the real, if imprecise, limits imposed by economic, social and political considerations external to the government itself. Most government policies involve the use of resources—obvious in the money and manpower they demand to make them effective—and consequently compete with the uses which the non-governmental sector would wish to make of those resources. Many government policies involve social changes. There are limits within which any society can effectively or will voluntarily accept change at any given time. Furthermore, particular forms of change will run counter to the habits, interests and prejudices of individuals and groups whose resistance, active or passive, can render planned change difficult and sometimes ineffective.

11.1.4 Above all, ministers must always be aware of the constraints imposed by the electoral processes. To be returned to power at the next election is a primary objective of all representative governments, and relevance to this objective will inevitably be a basic test to be applied to ministerial and departmental action.

11.1.5 The machinery of government, in both its ministerial and administrative aspects, will therefore need to be designed to make effective the discipline of these constraints. This process can briefly be referred to as 'co-ordination'. It is clear that this need is already, at least to some degree, taken into account. Some ministers, by the nature of their portfolios, have co-ordinating functions, that is they are responsible for seeing that the discipline of one or more of the constraints to which we have referred is imposed. This responsibility affects the structure, role and method of operation of their departments and related agencies. The Prime

Minister (with his Department, including the Cabinet Office, as well as the Public Service Board) and the Treasurer (with Treasury) clearly exercise such co-ordinating functions. Cabinet committees and interdepartmental committees serve similar purposes. And, in a somewhat different way, so do party meetings: their impact may be especially concerned with the constraint of electoral judgment.

11.1.6 The Commission's concern has been with the administrative aspects of these processes: with the means by which co-ordinating ministers and cabinet committees are serviced, informed and advised; with the means by which constraining factors external to government—such as the competitive claims on available resources and the state of the economy—are assessed and brought to ministerial attention; the relationships between functional departments and co-ordinating authorities such as Treasury and the Public Service Board; and with the effectiveness of departmental co-operative arrangements, including the use of interdepartmental committees. Earlier parts of this Report will have made evident that some of the most difficult problems of Australian government administration emerge in these co-ordinating processes. In this chapter we will attempt to bring together some general conclusions about the co-ordinating function itself, the differing approaches to its performance, and our recommendations as to changes which could usefully be made in the way in which Australian government administration is organised to achieve co-ordination.

11.1.7 Central to this task is a view about the nature of discipline and the most effective way to achieve it. As we have indicated above (paragraph 11.1.1–5) discipline requires the acceptance of a need to modify planned or desired behaviour to conform with constraints which should or must be acknowledged. Discipline can be either voluntarily accepted or externally imposed. In our view, externally imposed discipline often tends to be ineffective because it withdraws responsibility from all except the source of discipline itself. It depends therefore for its effectiveness finally on the knowledge that there is a coercive power which that source can exercise. It tends to place the interest of the part above that of the whole, and often produces tension and incipient revolt, and may in critical circumstances break down altogether.

11.1.8 On the other hand voluntarily accepted discipline is for other reasons equally difficult to achieve. It requires a widespread acceptance of responsibility, an understanding of the nature, significance and force of the constraints which make discipline necessary, and a willingness to see and accept their relevance even to strongly favoured objectives and programs. It is, therefore, likely to weaken when such objectives and programs appear to be in question. But if voluntary acceptance can be achieved this form of discipline is by far the more effective.

11.1.9 The Commission's examination of material before it has led it to conclude that discipline in the conduct of Commonwealth government affairs is essentially externally imposed. In practice the Treasurer and Treasury and the Public Service Board are the primary instruments of that discipline, although their authority is, especially in times of stress, dependent on Cabinet support. There are a few areas, such as Defence, where Treasury has developed a more co-operative relationship, within which the degree of discipline and its impact on programs appears to be worked out in negotiation and on a basis of relative

equality. However, the general experience of ministers and their departments is that in giving effect to broad Cabinet and parliamentary decisions they need approval from one or both (and perhaps also from other lesser) co-ordinating agencies for many actions, especially those which depart from the expected course. More importantly, ministers and Cabinet are dependent on those agencies for information and judgment about the nature and severity of many of the constraints which make discipline necessary. Furthermore, the procedures by which this information is collated and the judgments formed often do not involve the majority of ministers of their senior advisers sufficiently to commit them to the relevant judgments. There are therefore continuous signs of tension: between functional departments and co-ordinating authorities, between these authorities and individual ministers and at times the Cabinet, and even in some circumstances between those authorities and their own ministers. From time to time it has been apparent that the ministerial and Cabinet support necessary for the effective operation of the co-ordinating authorities has in fact been withdrawn, with damaging effects on the coherence of government administration.

11.1.10 The Commission concludes therefore that a serious effort must be made to base co-ordination to a greater extent on voluntarily accepted discipline at all levels. To this end we argued in Chapter 3 that ministers and their departments should be more actively involved in the processes by which:

(a) the nature and severity of constraints on ministerial action are assessed;
(b) the priority to be attached to various government objectives and programs affected by those constraints is determined.

11.1.11 This chapter examines the changes in the procedures and machinery of government necessary to promote such involvement and to achieve a form of discipline which is better understood, more compatible with the essence of ministerial responsibility, and therefore more effective. In particular it will deal with the processes of the Forward Estimates and the Budget, with the functions, structure and methods of work of the Treasury, the Auditor-General's Office, the Department of the Prime Minister and Cabinet (including ministerial and inter-departmental committees) and the Public Service Board.

11.2 FORWARD ESTIMATES AND THE BUDGET

11.2.1 The Commission believes that the Forward Estimates process, as we describe it in Chapter 3 and here, is central to the task of rational co-ordination of policies as well as the efficient use of resources. In Chapter 3 we have emphasised its importance in the achievement of efficiency—in establishing the government's objectives and their priorities in ways which make possible coherent work plans for individual ministers, departments and agencies and therefore for subordinate levels of managerial responsibility. Looked at from the viewpoint of this chapter, the process is seen as essential in making clear the scope which individual ministers, departments and agencies will have for the exercise of their respective authorities. The process will be an expression of the constraints imposed by the need to acknowledge the existence of other claims to the financial and manpower resources required for each ministerial program—constraints both for the government as a whole and as between ministers. If the process is to lead to the voluntary acceptance of the discipline that it expresses, it is important that it should be based upon:

(a) generally accepted assessments of the resources potentially available, and of the other external constraints;

(b) a clear understanding of the general political considerations to be taken into account;

(c) effective participation of ministers in the bargaining aspects of the process.

R310 In the paragraphs which follow we describe a procedure which the Commission believes goes some way to meet these requirements. In designing it we have taken into account the many criticisms we have received of the current Budget process, and its apparent failure from time to time to achieve the acceptance of self-discipline among ministers and departments. We have noted the useful preliminary experiments in Forward Estimates and the recent assembly of data about commitments that have been and are being conducted by the Treasury and the Public Service Board. We have been influenced also by the example of the budgetary processes as conducted by the Canadian government and the role played in them by the Canadian Treasury Board.

11.2.2 The Forward Estimates Budget process, as the Commission envisages it, begins with the formulation of policy guidelines for ministers and departments. This formulation is seen initially as the responsibility of the Economic Committee of Cabinet.[1] The guidelines should establish:

(a) the proportion of the potential gross domestic product and the total numbers of the work force which the government is willing to pre-empt for its purposes;

(b) the general social, economic and political objectives to which the government wishes to give priority in the period to be covered by the Forward Estimates;

(c) the margin or reserve provision to be included to cover contingencies or new programs that the government may wish to develop within the period covered.

11.2.3 It will be noted that we suggest the guidelines refer to claims on the potential rather than the actual or anticipated gross domestic product. Only if this is done will the Estimates reflect accurately the objectives and priorities of the government itself. Once these begin to be modified by what are judged to be the needs of economic policy, they will reflect rather the priorities of those who assess those needs and advise about the means whereby they can best be met. The Commission is conscious of the resentment which has been built up by the dominance which the current budgetary process gives to these economic policy priorities, and sees that resentment as a significant obstacle to the achievement of substantially accepted discipline among ministers and departments. Considerations of economic management will, of course, need to be taken into account at the appropriate time. The Commission is satisfied that this will be when the relevant parts of the Forward Estimates are being modified for incorporation into the annual Budget.

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1. In this and other chapters of the Report, when referring to the work of Cabinet committees, we have, except where we are deliberately proposing innovation, referred to the structure of committees set up by the present government. Different governments will not always have the same committee structure although we believe there will be elements in common. The procedure could as well have been described with reference to the committee structure used by the Whitlam government.

11.2.4 Nevertheless, the formulation of guidelines about the total claims by the government on the economy's resources will need to be based also upon informed judgment about such factors as the growth and changing composition of the work force, the changing levels of productivity, long term shifts in the pattern of consumers' demands, the developing industrial and sectoral structure of the economy and in particular the future demands to be made by the public sector itself from the continuance of existing policies. On these matters the Economic Committee of Cabinet will require information and assessment from sources such as the Australian Bureau of Statistics, the Department of Employment and Industrial Relations, the Public Service Board, the Treasury and the proposed Department of Industries and the Economy (DINDEC—see Chapter 10.1). While the knowledge that the Treasury and the Bureau of Statistics possess of the aggregates embodied in the Social Accounts will continue to be important, the Commission sees the knowledge and judgment about the changing structure of the economy which it hopes will be the special competence of the Department of Industries and the Economy as likely to exercise a significant influence on the Committee's work.[1]

11.2.5 In the formulation of the priorities in policy objectives the Commission also sees a special role for the Department of the Prime Minister and Cabinet. It will, under the guidance of the Prime Minister, be responsible at the department level for ensuring that the political and social philosophy of the government and the content of its policy statements are adequately expressed in the Estimates. (See section 11.5).

11.2.6 The appropriate provision for contingencies and future plans will, of necessity, be somewhat arbitrary, although experience will no doubt provide increasing guidance. Canadian experience suggests that some of the most difficult issues facing its Treasury Board concern the size and preliminary distribution of these provisions. The Economic Committee may well need to take account of expectations of medium-term domestic and international economic change in formulating its conclusions on the reserve provision.

11.2.7 The Commission believes, therefore, that the Economic Committee will find it useful to set up a committee of senior officials drawn from the Departments of the Prime Minister and Cabinet, Treasury, Industries and the Economy and the Public Service Board to confer with it in the preparation of the guidelines.

11.2.8 These guidelines, when approved by Cabinet, will, the Commission envisages, form the basis of three-year estimates of expenditure and manpower use by ministers and their departments. They will therefore be the means of ensuring that a discipline made necessary by real constraints is brought to bear on ministerial and departmental planning from the outset, and by the individual ministers and departments themselves. These estimates will be prepared annually, on a rolling basis, and will be the occasion of a re-assessment of existing programs and the allocation of resources to them, as well as a consideration of new programs to be provided for. Both the Whitlam government and the present government have judged it necessary to review the expenditure flowing from existing programs. There can be no doubt that such reviews are from time to time

1. See Appendix 4.A, Paper 3 for a discussion of the relevance of the IMPACT Study in this matter.

desirable for practical reasons as well as for political reassessment. The Commission considers, however, that the procedure of their review by an external authority inevitably neglects significant department expertise, and gives too little weight to the departments' judgment, and to the preferences and political judgments of their ministers. The Forward Estimates procedures we describe would, on the other hand, assign this task of review and the weighting of existing against possible future programs in the first instance to those with the most intimate knowledge and with the deepest concern about the outcome.[1] It would, therefore, be likely to lead to more acceptable economies and to command greater commitment to their achievement.

11.2.9 Similarly, the Commission sees this review in the light of guidelines prepared by the Economic Committee of Cabinet as being the occasion when the government's general policy about the size of the work force it is prepared to use will be worked out in reference to particular programs and the departments and agencies responsible. The tendency of governments over recent decades to rely on the occasional (and increasingly frequent) imposition of staff ceilings is, in the Commission's view, an abrogation of ministerial responsibility and furthermore is inept and unjust in its incidence. Although the imposition of department staff ceilings has, over recent years, carried the authority of Cabinet or the Prime Minister, the failure of successive governments to consider manpower requirements as a resource integrated with finance and programs as a whole, has placed on departments and the Public Service Board the responsibility of judging the relative importance of different programs and administrative and advisory functions.[2] This responsibility is essentially political and should be accepted by ministers, as it would be if the Forward Estimates procedure recommended were adopted.

11.2.10 It should be noted that with this procedure:

(a) both the responsible minister and his department will have the maximum incentive to seek, and if possible take advantage of, economies in manpower use from improved organisation, mechanisation, the measurement of output etc.—since the alternative will be the sacrifice of some desired program or activity;

(b) on the occasions when a potential or existing program or activity is curtailed or eliminated, it will be by ministerial or Cabinet decision, taken in the light of the priorities of the minister concerned after he has weighed the advice of his department. That is, responsibility will lie where it belongs, and where the social and political costs can best be assessed.

11.2.11 These reviews by ministers and their departments will result in initial bids in terms of expenditure and planned employment. Though the guidelines have by now marked out the outer boundaries of expenditure, it is likely that the aggregate of these early bids will exceed the limits set or implied for them. Accordingly a process of discussion and negotiation will be called for to achieve the necessary conformity. The Commission proposes that this process would be

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1. In this and other respects the system resembles the 'rolling program' approach developed between Treasury and the Department of Defence for the general field of military expenditure.
2. As our consultant, Mr K. Wiltshire, comments in his report, Staff Ceilings, 'they have been the means whereby public servants have determined priorities properly the role of politicians' (see Appendix 1.D). See also Chapter 9.1.12–13.

the responsibility of the Economic Committee of Cabinet—certainly that Committee should watch over it. At the same time, the Commission is conscious that, if this process is to be effectively performed and the relevant ministers are to be actively involved, it will be time-consuming and somewhat tedious. We see advantages, therefore, in adapting to this task Canadian experience as embodied in the Treasury Board. This Board, although statutory, is a ministerial committee presided over by a nominee of the Prime Minister, of which the Finance Minister himself has only nominal membership and which rarely includes senior ministers. Senior ministers may not be able to devote the time required for the detailed negotiations involved. The Commission suggests therefore, that the Economic Committee should appoint a sub-committee in which they might (at least at times) be represented by more junior ministers. This sub-committee should be presided over by a minister nominated by the Prime Minister, and should discuss Forward Estimates bids with ministers concerned and their departmental advisers, so that they can be revised and reconciled in the aggregate with the original guidelines. We see this sub-committee on the Forward Estimates being serviced by the Department of the Prime Minister and Cabinet, but receiving detailed comments and suggested modifications on the original bids from the Supply Divisions of the Treasury, from the Department of Industries and the Economy in respect of claims on resources generally, from the Public Service Board in respect of planned manpower use, and from the Department of the Prime Minister and Cabinet in relation to policy priorities. Indeed, officers of these departments could usefully constitute a working group to assist the ministerial sub-committee. This group could be differently constituted from that assisting the Economic Committee in the formulation of the original guidelines. It would place more emphasis on the structure and content of individual programs and the resources required for them. Officers from the departments concerned should participate in the work of this group at relevant times.

11.2.12 We have emphasised that it is important that manpower estimates be prepared which will be consistent with the financial estimates and in conformity with the public employment policies of the government. In this latter aspect, the Public Service Board will have an important role. Its task will be to gather together from departments and agencies their initial bids for manpower use and to examine them in the light of the guidelines issued to ministers and departments. It would also be for the Board to draw attention to any special pressure on the supply either of experience or skills which the initial bids might engender. The Board's analysis of the manpower bids would flow through the working group of officials to the ministerial sub-committee on the Forward Estimates where it would provide a basis for discussion between the sub-committee and individual ministers and their departmental advisers.[1]

11.2.13 In this bargaining process the sub-committee would be assisted if the expenditure and employment plans of individual departments could be correlated where they were directed to overlapping purposes. Thus, if the grouping of Welfare departments suggested by the Commission (see Chapter 10.3) were adopted, some of the bargaining and re-assessment could usefully be undertaken by ministers and officials from those departments acting together under the chairmanship of the Minister for Social Welfare. Other groupings of

1. On the Board's role in the Forward Estimates procedure, see further section 11.6.

departments suggest themselves (see Chapter 4.3.34–37). Where they do not exist formally but could be useful for this purpose, they might be set up on an *ad hoc* basis to facilitate the work of the sub-committee.

11.2.14 The report of this Forward Estimates sub-committee would, we envisage, go first to the Economic Committee of Cabinet for endorsement, and then to Cabinet itself for formal confirmation. It would then provide a framework for the planning of departments and agencies. The firmness and clarity of that framework would provide a context within which ministers and the heads of departments and agencies could be allowed significant freedom to modify, within the approved totals, the precise pattern of planned employment and expenditure. In other words, it would provide the opportunity for, and at the same time set limits to, the entrepreneurial scope for managers which the Commission recommends in Chapter 3.

11.2.15 Forward Estimates, while compiled on a three-year basis, will need revision and extension annually—so that they operate on a rolling three-year basis. In this revision, some of the reserve provision for possible future programs and for contingencies will be absorbed by more firmly planned expenditure and employment expectations.

11.2.16 This annual up-dating could usefully take place immediately after the preparation of the annual Budget, although it should be emphasised that the Forward Estimates should continue to be compiled on the basis of optimum, rather than actually anticipated resources available, as assessed in the gross domestic product.

11.2.17 The relevant year of the Forward Estimates will provide the basis for the expenditure content of the annual Budget, but will, of course, need to be modified in the light of contingencies, new programs decided upon and the needs of demand-control policies to the extent that the government wishes to resort to them. It should be noted, however, that, in view of the extreme uncertainty about the nature and the length of time-lags in the economic process, a good case could be made for planning total public expenditure always on the assumption of the optimum total use of resources—that is at the level of high employment most likely to be consonant with reasonable price stability. This approach would rely in part upon the 'fly-wheel' effects of a stable public sector expenditure to provide a reliable context for and some offset to the fluctuations inherent in the workings the private sector.

11.2.18 The Commission has not attempted to lay down any time frame for implementing fully its recommendations for integrated Forward Estimates. The development of a satisfactory process will require a dedicated effort over several years. It will need strong direction and leadership from the government as a whole. It will be unlikely to succeed if left to individual departments, unaided and lacking direction. The three levels involved—individual departments, central agencies and ministers—will need to develop jointly a capacity to contribute effectively to the process. Nor do we propose a time-schedule for the yearly series of adjustments leading up to each Budget. In a sense what we are proposing will make that schedule a more complex one, in that as well as departmental negotiations with the Public Service Board and the Treasury, we are proposing an integration of financial and manpower bids (see also Chapter 9.1.14–16 on budgeting staffing and administrative costs). However, we do not believe that either the initial bargaining to reconcile departmental estimates or the

subsequent adjustment in the light of current economic and other factors, need prove unmanageable. In this respect, the critical difference in the Commission's proposal and the present practice is that initial bids would be prepared in the light of guidelines determined by Cabinet.

11.2.19 The diagrams on pages 364 and 365, based on the discussion in the previous paragraphs, and on the section of the Report on Economic Policy (10.1), illustrate the flow of information and decisions involved in the Forward Estimates and its relevance to the Budget cycle.

11.3 THE TREASURY AND FINANCIAL CO-ORDINATION

11.3.1 In paragraphs 11.1.1–5 we refer to constraints which limit the freedom of action of individual ministers, and consider the means by which the nature and severity of those constraints can be made apparent and the discipline they make necessary be clarified and accepted. Important among these constraints are those which arise from the fact that programs and activities of each minister and his department require resources which could be used for the programs and activities of other ministers, other levels of government or for non-governmental purposes. In the exercise of discipline arising from these constraints the role of the Treasurer and the Treasury has traditionally been predominant. Indeed the conclusion expressed in paragraph 11.1.9 that the discipline exercised in the Commonwealth administration is essentially externally imposed rather than voluntarily accepted, is based upon an examination of that role as seen by the Treasury itself, by ministers, and by other departments and agencies. Also, the judgment that greater emphasis needs to be given to self-imposed discipline is to an important degree drawn from aspects of the present Treasury controls and their outcome in the disciplinary processes themselves.

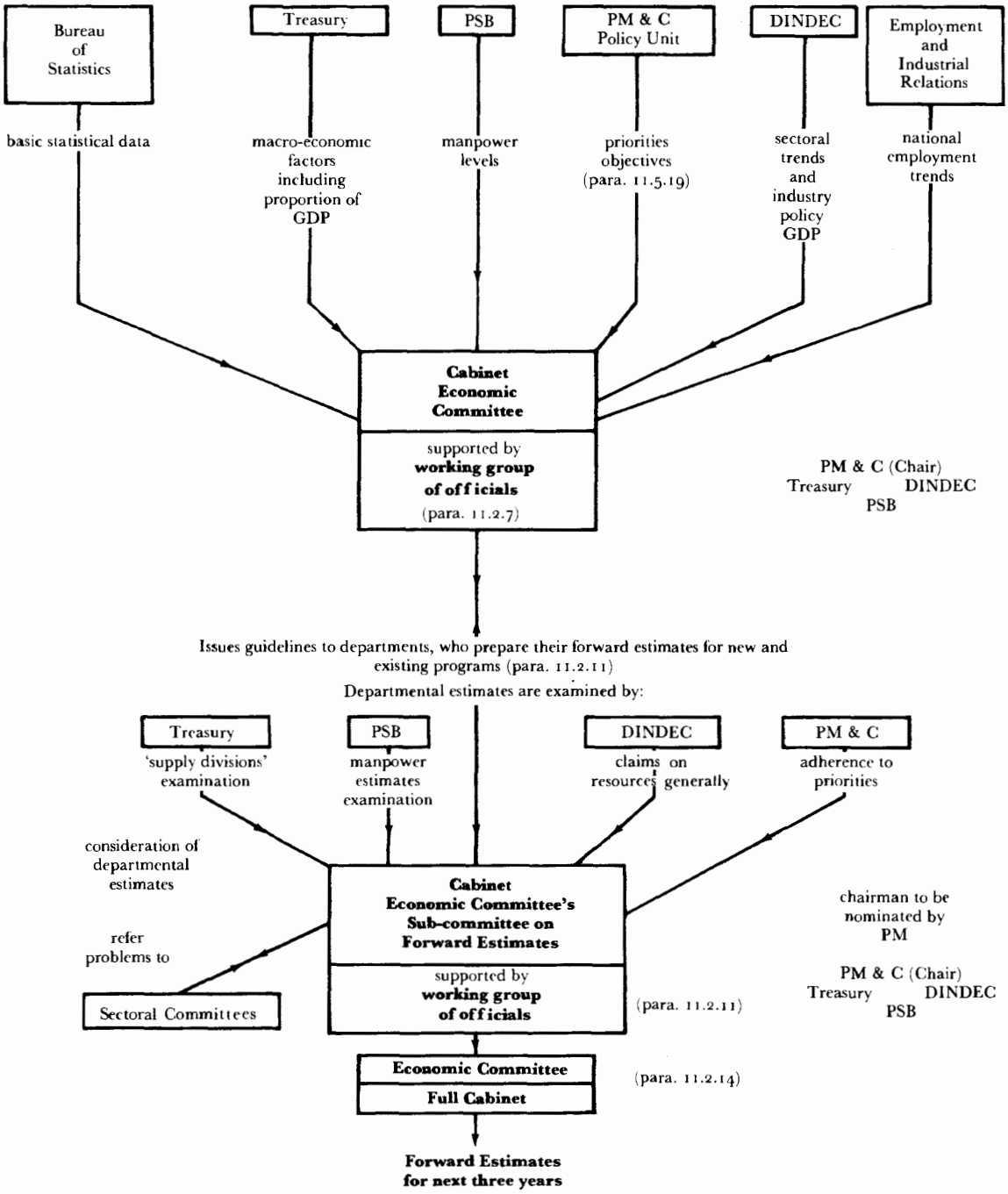
11.3.2 The Commission sees the development of the Forward Estimates budget process as the prime basis for strengthening both the effectiveness of discipline in the use of resources and the involvement and identification of ministers and functional departments with that process and the restraints it imposes. We do not see the process as conflicting with the essential purposes of expenditure control for which Treasury has been responsible, and we envisage a vital role for Treasury within that process. Indeed we are conscious that it is a development the first phases of which the Treasury itself has initiated. Nevertheless, the primary purpose of the Forward Estimates is to provide an acceptable basis for an alternative form of discipline to that on which Treasury has relied, a discipline in which concern and authority for expenditure control will be spread more widely, and one which will rely more on the development of a consensus about the facts and on a hard-won agreement emerging from tough negotiation about the action which should flow from that consensus. The Commission has reached the conclusion that this alternative must be sought after a consideration of the accounts of Treasury operations by Treasury itself and of the many criticisms of the operations and the responses by Treasury to those criticisms, and after examining the results of more specific studies which the Commission itself initiated.[1]

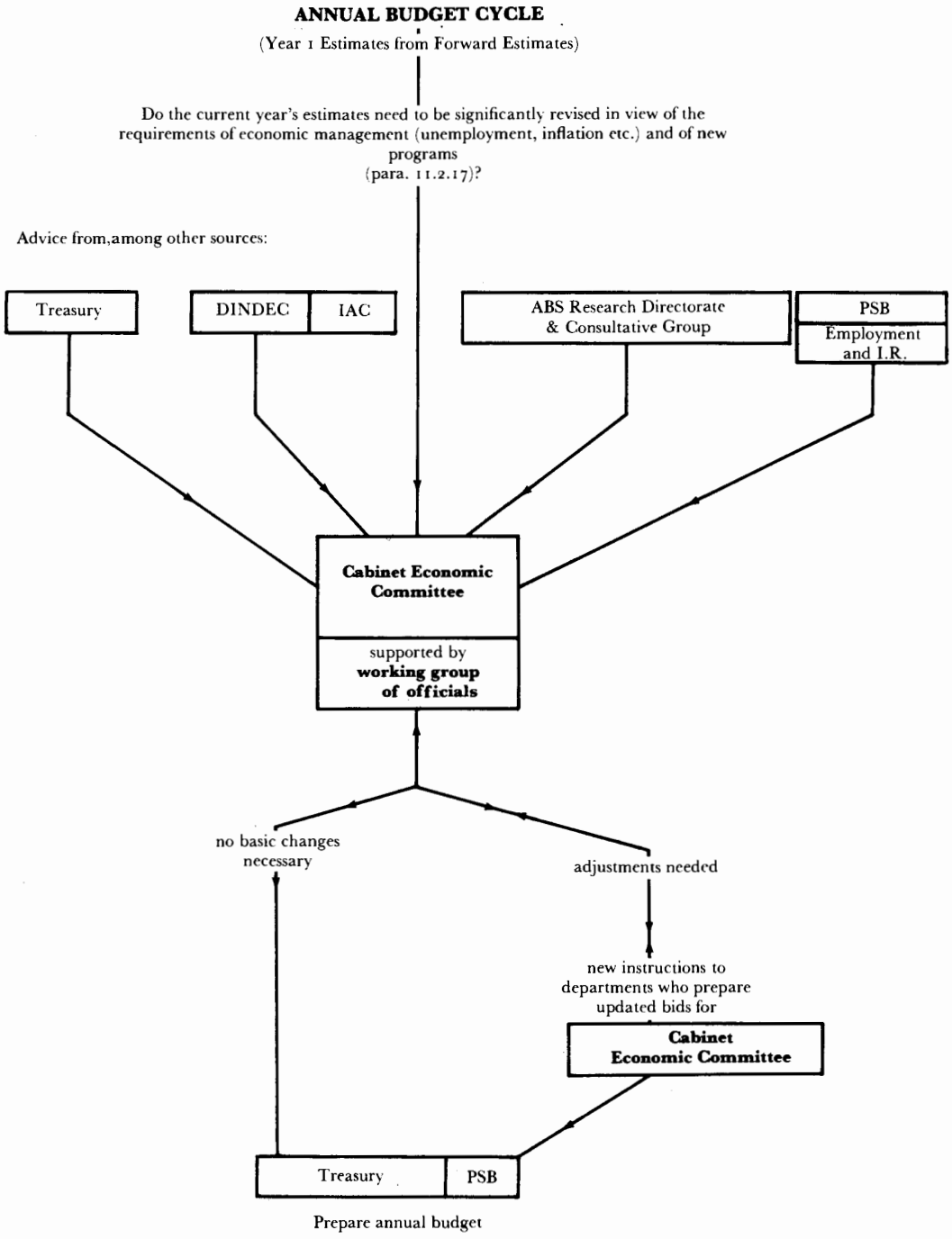
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1. Appendix 4.E, Financial Administration, contains a selection of material relevant to this section of the Report, including part of the Treasury Submission (Paper 1), criticisms of Treasury's role (Paper 2) and extracts from a consultancy report on Treasury controls (Paper 5). See also Appendix 1.C, 'Program Budgeting'.

MACHINERY FOR FORWARD ESTIMATES

Preparation of guidelines (para 11.2.2 and 16), based on submissions from




ANNUAL BUDGET CYCLE
(Year 1 Estimates from Forward Estimates)
Do the current year's estimates need to be significantly revised in view of the requirements of economic management (unemployment, inflation etc.) and of new programs (para. 11.2.17)?
Advice from, among other sources:
Treasury
DINDEC
IAC
ABS Research Directorate & Consultative Group
PSB
Employment and I.R.
Cabinet Economic Committee
supported by working group of officials
no basic changes necessary
adjustments needed
new instructions to departments who prepare updated bids for
Cabinet Economic Committee
Treasury
PSB
Prepare annual budget

The Disciplinary Role of Treasury

11.3.3 Treasury has said that one area of government administration with which it is particularly concerned is the 'management and control of public expenditure'.[1] It believes that the control which it exercises in this area should seek to ensure that:

(a) expenditure, generally and in its parts, fits in with overall economic strategy;

(b) its elements form a coherent, internally consistent and well-balanced whole.[2]

In its submission the Treasury properly emphasises the management demands which the setting of the administrative priorities makes upon it.

11.3.4 At the same time, the Commission believes that expenditure is and should be the expression of the objectives and priorities of ministers, Cabinet or Parliament and that the first purpose of expenditure control should be to ensure that, within the limits of the resources which the government is willing and able to employ, expenditure, generally and in its parts, is an accurate reflection of the government's objectives and priorities as ministers individually and jointly determine them.

11.3.5 Treasury has argued that because of the close day by day involvement of its minister in the workings of the Department it is not possible to see the Treasury as exercising any significant role except in association with him. It is true that unless Treasury is backed by the Treasurer's support, its authority will quickly break down. This however does not invalidate the widely held view that the Treasury has command of the information on which financial and economic policy is based, that it is equipped to interpret the relevance and significance of that information and that it approaches its task of informing and advising the Treasurer with a coherent and some would say almost doctrinal force and persuasiveness. It would be surprising if this were not so—given the undoubted competence and experience accumulated in Treasury—and it would be surprising if that force and persuasiveness were not generally effective.

11.3.6 The Commission does not criticise the closeness of this relationship between Treasury and its minister or the fact that it frequently and desirably extends also to the Prime Minister. However it draws attention to the fact that the relationship is often developed and exercised in a way which does not involve other ministers and their departments sufficiently to command their willing acceptance of the judgments which emerge from it. Thus, for instance, the Commission is satisfied that those departments (and probably their ministers also) whose expenditure plans have been substantially curtailed as this Report approaches completion believe:

(a) that the priorities expressed in the cuts imposed are not theirs or those of their ministers;

(b) that they do not reflect the considered outcome of independent studies to which they, as the responsible department, had an opportunity to contribute;

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1. See Appendix 4.E, Paper 1, paragraph 3.
2. See Appendix 4.E, Paper 1, paragraph 14.

(c) that they reflect rather the arbitrary and personal priorities of officials—particularly those of senior Treasury officers.

This situation is not unique. In almost all budgetary situations there are choices to be made, and the means by which they are at present exercised ensures that there are persistent dissatisfactions, not simply from the necessity for choice but from the fact that the priorities of ministers and their departments exercise too little influence in them. The Commission believed therefore that it must examine the material before it so as to judge whether this situation reflects prevailing attitudes and practices within Treasury itself—attitudes and practices developed and fostered over time, which adapt to but do not fundamentally change with changing Treasurers and governments. That the Treasury has such a clearly defined institutional character and personality is certainly one of the most firmly held convictions among departmental officials.

11.3.7 In elaborating on the relevance of public expenditure to economic strategy the Treasury notes that:

> 'with the increasing emphasis on the use of taxation and public expenditure as instruments to influence the course of the economy, unity of responsibility for fiscal policy, monetary policy and general economic policy would seem to be becoming increasingly indispensible.'

This responsibility they see as being united in the portfolio of the Treasurer (with whose responsibilities those of the Treasury are 'co-extensive').[1] Public expenditure and taxation are not the only government instruments to influence the course of the economy. Tariff and other industry-directed measures, international economic policies, wages and income policies, as well as the government's general approach to the desired balance between the public and private sectors and between goods and services respectively as components in the content of gross national expenditure, can be as pervasive and possibly as powerful. These considerations do not affect the judgment that there must be 'unity of responsibility' for the major components of economic policy and management, but they suggest that the necessary unity can be achieved only at Cabinet level and that it should be a unity of a character which all ministers (and their departments) can influence, and which, therefore, they have a greater obligation to accept.

11.3.8 It is because of the necessity for such unity that the Commission has emphasised the corporate and the essentially political character of the judgments involved in the Forward Estimates processes it has proposed in section 11.2 above. It follows that the Commission believes that, where these judgments are concerned with matters within the responsibility of one minister, he and his department should have a primary voice in them. It does not therefore agree that the Treasury statement that

> 'one object in Treasury 'scrutiny' of expenditure estimates and analysis of expenditure proposals is to promote review of programs and activities that might no longer be justifiable . . .'[2]

can properly be seen as applying in any exclusive way to Treasury—even if the term 'Treasury' is taken, as it frequently is, to denote the combination of the

1. Appendix 4.E, Paper 1, paragraphs 36–7.
2. Appendix 4.E, Paper 1, paragraph 48.

Treasurer and his Department. It will be apparent from paragraph 11.2.8 above that the Commission is conscious of the need for such reviews to be conducted, but believes that, within the Forward Estimates procedure, they can and should be made by the ministers and departments concerned. They possess the fullest knowledge of the criteria by which the individual programs concerned should be judged, and on them the responsibility for termination or modification of the programs properly lies.

11.3.9 The Treasury emphasises the dependence of its contribution to the management and control of public expenditure upon:

(a) day-by-day liaison with, and close collaborative efforts by, the whole range of Treasury Divisions;

(b) continuous dialogue

(i) with Commonwealth departments and agencies,

(ii) with State Treasuries,

(iii) with the Treasurer and through him with the Cabinet.[1]

It concludes that effective management and control of public expenditure, in a context where new authorities, new programs and a high rate of increase in government expenditure add new dimensions, new problems and new challenges to the task, depends upon 'the willingness of all concerned to accept the disciplines necessary'.[2]

11.3.10 The Commission finds these statements unexceptionable. We note however that material before us suggests that liaison and dialogue within Treasury, and between it and its various 'clients', is not always mutually satisfying, and that, despite the dialogue, both ministers and departments have frequently remained unwilling to accept the disciplines judged by Treasury to be necessary. These conclusions are derived from an examination of submissions, research studies and other material relating to the role and practice of Treasury in financial control (see Appendix 4.E).

Liaison within the Treasury

11.3.11 The Treasury has argued strongly that its various divisions are in practice so closely integrated that action to place any of them under separate departmental and ministerial direction would involve serious damage to the effectiveness of its work. This view has been vigorously contested, and, as we have mentioned in Chapter 10.1, there are many advocates within and outside the administration for a division of Treasury into two departments—one concerned with Financial and Economic Policy and the other with Budgetary and Financial Control. This is a matter to which we will return. We are concerned at this point simply to note that the integration of the various divisions is sometimes seen from both within and outside the Treasury as excessive domination by the division responsible for financial and economic policy. One former Treasury officer who is now a senior officer in another department, for example, spoke frankly and informally to the Commission about his working experiences and argued that:

> 'Treasury cultivates a very different sort of person in FEP[3] from those it cultivates in operating, areas. FEP doesn't have people who've been out and

1. Appendix 4.E, Paper 1, paragraph 55.
2. Appendix 4.E, Paper 1, paragraph 58.
3. The general Financial and Economic Policy Division of Treasury, often referred to as 'FEP'.

> managed things, made things work. They haven't begun to understand the constraints that operational managers have to face and draw conclusions from that of what operational managers need to work with.'

It has also been argued more formally by departments that the views of the relevant sections of the Supply Divisions about the expenditure proposals of departments within their area of responsibility are frequently over-ruled on the basis of *a priori* judgments from the policy division. Similarly one past Treasurer complained that information he received through senior officers about the implications that proposals put before him would have for particular programs was different from the advice which he subsequently found would have been offered by the relevant section of the Supply Divisions. On the other hand Treasury contends that all divisions of the Department have direct access to the Treasurer and that if the view of one is preferred it is by ministerial decision.

Attitudes of Treasury Clients

11.3.12 It would be surprising if Treasury were a popular department. The task of drawing attention to the reality of constraints on what ministers, departments, parliamentarians and groups and individuals in the community would like to do or have done is not one which easily wins friends for those who perform it. Too much therefore should not be made of the frequency with which criticism of Treasury and its procedures recurred in statements made to the Commission. Nor do criticisms cast any doubt upon the capacity of the Treasury to undertake its various tasks; in fact, our survey material shows clearly that Treasury attracts capable officers and rewards them well in terms of their career advancement.[1] It was nevertheless the view of consultants engaged by the Commission to study the nature of Treasury controls that there is also:

> 'a remarkable lack of understanding in departments of the objectives and procedures of the Treasury. This may be in part the fault of departments, but it is our impression that Treasury Officers pay far too little attention to good customer relations based on frank information flows. The reasons for the Treasury's reaction to a certain proposal may be self-evident to Treasury officials but it is often only dimly understood by departments.'[2]

Equally the frequency of proposals for change in procedures are not of major concern. Treasury has shown some willingness recently to modify its procedures in particular instances, and the Commission has the impression that departments seeking greater flexibility have not exhausted the scope for direct representations for change. Furthermore in some important instances Treasury has been inhibited by legislative provisions, by the wishes of Parliament, and by the difficulties of achieving effective change in a department with heavy burdens arising from current problems.

11.3.13 However, some criticisms go much deeper and are directed at the whole style and authority of Treasury. In brief they express the belief that Treasury is too privileged, too powerful, and too prone to substitute its own judgments, its own values and its own priorities for those of other departments, ministers and the government itself. Criticisms of such scope and intensity, if they are believed by those who make them, can make unworkable the relationships between the agency at which they are directed and its clients. The Commission believes that

1. Appendix 3.A, Paper 11, The Co-ordinating Departments.
2. See Appendix 4.E, Paper 5, in section on Problems of Bureaucratic Structure.

there have been occasions within the last seven years when relationships between Treasury and its clients have been seriously strained. The last three Prime Ministers and three of the last four Treasurers, as well as a number of individual ex-ministers, have expressed to the Commission, or publicly, dissatisfaction with the role of the Treasury.[1] We have been informed that there have been occasions when the Treasurer found himself without significant support from his colleagues and more rarely when the Treasurer has dissociated himself from the Cabinet submissions made in his name but prepared in Treasury. It is easy to attach unwarranted weight to these occasions, but the Commission is satisfied that, in the aggregate, they are significant.

11.3.14 They are consistent with the existence of a widespread 'unwillingness to accept the disciplines necessary'. Furthermore, it is sometimes true that such unwillingness exists because of ignorance, prejudice or plain unreasonableness on the part of some ministers and their departments. However, this is to be expected from time to time in a parliamentary system of government (and probably in any other system also). The official is the professional in this context and, as such, he should accept the greater responsibility for making the system work. A system which is based upon collective Cabinet responsibility can work only if the majority of the Cabinet at least acquiesces in the need for discipline and the pattern of action needed to make it effective. It is the task of the professional to achieve that acquiescence, despite the difficulties which from time to time face him. Treasury officers are of course not the only professionals involved. Departmental heads and other senior advisers can influence the attitude of their ministers on the issues. Adequate support for the Treasurer in recognising the need for discipline may well depend on their attitudes. The Treasury has much to gain if it can, by involving other ministers and their departmental advisers, achieve a wider sharing of responsibility and a weakening of the adversary relationship which frequently exists between them.

Conclusions

11.3.15 One of the obstacles to this sharing of responsibility for discipline in the use of resources is the suspicion and hostility arising from the Treasury 'monopoly' of advice on economic policy, and the power it exercises from the combination of that monopoly with the control of expenditure. Accordingly the Commission has given thought to the possible benefits of dividing the economic policy function of Treasury from that of financial control (see Chapter 10.1 also).

11.3.16 We have not however recommended it. We do not wholly accept the Treasury argument that the integration necessary between the two fields of work demands their performance within a single department. Our reasons are essentially more pragmatic. The core of the government's economic policy is contained in the Budget (and in the Forward Estimates to the extent that they will determine pre-Budget action and planning and therefore influence the content of the Budget); and we fear that an attempt to separate the responsibility for economic policy from responsibility for formulating the Budget could weaken the effectiveness of economic policy (see Chapter 10.1.16). However, we urge a

1. The fourth former Treasurer spoke warmly of the Treasury's work and saw the difficulties as reflecting primarily an unwillingness among ministers and departments to accept the reality of constraints on governmental action.

greater non-Treasury contribution to that policy as a matter of high importance (10.1.10–15). Secondly we believe that the essence of the weaknesses in the present disciplines lies essentially in the attitudes of Treasury and its ministerial and departmental clients rather than in the structure of Treasury itself. Thirdly, we are conscious that the changes we have proposed will take time to become effective, that the system must continue to work while change occurs and that frequent structural changes in the machinery of government have deleterious effects on departmental morale and effectiveness. We have therefore proposed no major structural changes in Treasury, but have concentrated on suggesting means whereby it can to a much greater extent share its responsibilities and involve other departments and agencies in their performance. We see possibilities of such sharing as affecting particularly:

(a) Cabinet and its committees;
(b) ministers and their departmental advisers;
(c) the Auditor-General;
(d) the Public Service Board;
(e) the Department of Industries and the Economy;
(f) the Australian Bureau of Statistics.

11.3.17 In particular we have proposed that the Auditor-General and the Bureau of Statistics perform more comprehensive roles, and we believe that they should be more clearly seen to be independent and quite separate from the Treasury. To this end we have suggested in Chapter 10.1 that the Bureau should become responsible to a minister such as the Minister for Administrative Services, and should be encouraged and enabled to broaden its scope as a primary source of information for the formulation, conduct and assessment of government programs. We deal in more detail in section 11.4 below with the role of the Auditor-General. At this point it is sufficient to say that we see any tendency in the administration to identify him with Treasury as detrimental to his independent legal position and status, and as diminishing his power to strengthen the capacity of the government and Parliament to raise the levels of administrative efficiency.

11.3.18 Apart from these shifts of authority, a general improvement in the level of responsibility in financial management requires a greater willingness on the part of Treasury to devolve detailed control on the departmental head. We are aware that greater devolution has been inhibited by legislative and parliamentary obstacles as well as by sheer inertia. It would be consistent with our new concept of the Treasury role if it were to take initiatives, particularly with the relevant parliamentary committee or committees, to reflect the more broadly based search for efficiency that is required of the administration generally. A great volume of material is already prepared each year to support the detailed departmental estimates now incorporated in the schedule to the Appropriation Bills ('the Estimates'). There seems to be good reason to attempt to produce schedules to the Appropriation Bills which are more descriptive of programs and objectives than the present stylised form, provided there is a guarantee of adequate supporting material should Parliament ask for it. The necessary supporting information could either be produced in departmental annual reports or be made available directly to the Senate Estimates Committees, the House of Representatives Expenditure Committee and the Public Accounts Committee.

11.3.19 Several of the consultants' reports, and some of the material provided

by Treasury in response to criticisms and proposals contained in submissions, reveal a range of possible courses of action. The Commission notes that with somewhat parallel responsibilities the Public Service Board has shown a greater willingness to devolve and delegate than has the Treasury.

11.3.20 We are aware however that in recent years Treasury has taken significant initiatives in this direction, of which the formal review of the Audit Act being carried out by Treasury and the Auditor-General is a recent example. We also recognise that a number of criticisms of Treasury recently made to the Commission, such as those of the Department of Transport, have led to revisions of current practice, largely to the mutual satisfaction of Treasury and of the departments concerned, and we believe that Treasury should be authorised and encouraged to proceed consciously and deliberately with more extensive devolution.

R311 11.3.21 The Commission *recommends:*

(a) that Treasury review its approach to its responsibilities for financial control so as

  (i) to involve ministers and their departments more effectively in the assessment of constraints on government and ministerial action, and in the determination of priorities in any discipline required by those constraints,

  (ii) to rely more confidently on the influence which its access to information, its strategic position in the administration and its undoubted competence should enable it to exercise, and less on its capacity to concentrate within its own control decisions as to what is to be presented to Cabinet;

(b) that Treasury use the development of the inter-related Forward Estimates and annual Budget processes as the prime instrument for involving other ministers and departments, and for the exercise of their professional influence;

(c) that the Secretary to the Treasury allocate responsibility within his Department for work associated with the development of Forward Estimates, so that

  (i) the Division of Financial and Economic Policy is primarily concerned with the formulation of the general guidelines to be issued to departments,

  (ii) the Supply Divisions are primarily responsible for weighing the relevant departmental assessments of the costs and benefits of various programs and for achieving an acceptable balance between them;

(d) that, in order to strengthen the Supply Divisions' influence in this work, the Secretary to the Treasury encourage his officers from those Divisions to communicate more freely with officers of departments and agencies within their field of concern by

  (i) visiting departments and becoming personally familiar with their priorities and problems,

  (ii) standing ready to be consulted in the formative stages of new policies or revisions of policy,

Within the department concerned the relative Treasury Supply Officer

should in our view be seen as a helpful and friendly adviser and critic, and within Treasury as one having responsibility first to ensure that the departmental view is understood and appreciated even if not accepted;

(e) that there be greater mobility of staff between Treasury and functional departments, especially in relatively senior posts;

(f) that Treasury progressively devolve upon departmental heads greater reponsibility for detailed financial control within their own departments, developing the Treasury role as rather
  (i) a source of professional guidance on organisational aspects of that control,
  (ii) a stimulus to financial efficiency;

(g) that to give effect to the previous recommendation a course of action be set in train based upon the following proposals
  (i) the Audit Act and regulations under it be amended, if necessary, to make clear the authority of the Secretary to the Treasury to delegate his powers under the Act. (A review will be required of Treasury regulation 127A which provides that chief officers (that is, heads of departments and some few other senior officers) are entitled to give directions to officers under their control relating to the same field as the Treasury directions, provided that their directions are not inconsistent with the Treasury directions, the Treasury regulations, or the Audit Act. A careful modification of this regulation or a selective relaxation of the control imposed by it should be considered—see also Chapter 4.3.15),
  (ii) the department head be nominated as the responsible Accounting Officer (see Chapter 4.5.6), and that ministers, the Auditor-General and the parliamentary committees hold him accountable for his department's financial management,
  (iii) Treasury invite, initially, a selected number of departmental heads to consult with it on the delegation of additional authority to their departments as a basis for this greater responsibility and accountability. The discussions with Treasury would embrace questions of organisational structure, control procedures, and any amendments they would propose to current practice,
  (iv) after a pattern of delegated authority had been devised in several such discussions, it should be open to either Treasury or the head of any department to seek such consultations for the same end,
  (v) the Secretary to the Treasury should satisfy himself in discussions with departmental heads that the control arrangements proposed are adequate, and should retain a reserve power to withdraw a delegated authority, but there should be a presumption that the head of the department concerned is responsible and competent to judge what is necessary and appropriate to the needs of his department,
  (vi) a departmental head should not be required to accept full delegated authority if his department is not large enough to warrant it, or if for other reasons it is agreed such a transfer is undesirable,
  (vii) the Secretary to the Treasury should have the right at any time to

propose to the head of any department that a joint review of financial control procedures within that department be conducted, and indeed Treasury should arrange a regular program of such reviews (see Chapter 3.6);

(h) that Treasury, to facilitate these changes, should set up within its own organisation a unit concerned with departmental financial controls which should act as a consultant to departments, maintaining continuing study of innovation in this field in the public and private sectors in Australia and abroad, and communicating freely with professional and academic agencies;

(i) that in order to combine effective parliamentary control over expenditure with administrative flexibility, Treasury should take up with the appropriate parliamentary committee or committees

  (i) the possibility of revising the schedule to the annual Appropriation Bills ('the Estimates') to allow presentation of proposed expenditures in a form that will more adequately reflect programs, while continuing to provide in this or other documents the legal basis for parliamentary authorisation of expenditure,

  (ii) ways in which the annual authorisation of expenditure could be used to encourage the economical use of funds, for example, by use of *virement*[1] in agreed circumstances and within the context of other revisions to existing systems recommended in this Report; and also by developing a more constructive attitude to instances of under-expenditure of an appropriation,

  (iii) the form and content of supporting material to be available for the Estimates debate, for example, in departmental annual reports, sections of the Budget papers, documents available from the minister on request;

(j) that to increase the effectiveness of parliamentary review of efficiency, Treasury, the Public Service Board and the Auditor-General confer on the preparation by Treasury of comparative studies over time, and between comparable activities, of the administrative and salary costs involved in particular government programs and activities;

(k) that, when the studies referred to in (j) are available, Treasury and the Public Service Board undertake a joint analysis of the possibilities of substituting a financial allocation on a program or activity basis, in place of the present system of prescribing amounts for salary and other administrative charges (see Chapter 9.1.14–16);

(l) that the separateness and independence from Treasury of the Australian Bureau of Statistics and the Auditor-General be emphasised by

  (i) in relation to the former, changes in the line of ministerial responsibility (see Chapter 10.1),

  (ii) in relation to the latter, structural changes in the Audit Act (see paragraph 11.4.11).

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1. That is, the transfer of money from one item of expenditure to another, by section 37 of the Audit Act.

11.4 THE AUDITOR-GENERAL AND EFFICIENCY AUDITS

11.4.1 Having put so much emphasis throughout this Report on the new delegatory methods by which the Treasury and the Public Service Board in particular should in future help to co-ordinate the activities of departments, we should re-emphasise how necessary also is a renewed vitality for some ancient instruments of restraint, of which the most important is the office of the Auditor-General. In his submission to the Commission, the Auditor-General criticised the limitations on his role embodied in provisions of the current Audit legislation, especially those that restrict him to verifying the regulation of financial transactions and the proper accounting for assets. Accordingly, he urged:

> 'There is a pressing need to review the statutory powers and functions of the Auditor-General with the object of removing anachronistic limitations and authorising him, at the minimum, to evaluate whether expenditure although regular in every respect, is wasteful or non-productive. This would enable him to operate more effectively in the interest of Parliamentary scrutiny and control of financial administration'.[1]

Support for this position came from a wide range of government agencies and outsiders. The Public Service Board also advocated, in the light of the practical limitations on its own activities, the extension of the Auditor-General's role to embrace efficiency auditing. Since the Commission believes that the achievement of efficiency requires that officials be called to account for their use of resources, and that such accountability will need to be based on regular and independent assessments of performance, it has concluded that the Auditor-General, with appropriately extended functions and powers, could develop the capacity to conduct these assessments. Moreover, through his special relationship with Parliament, the Auditor-General could assist in Parliament's scrutiny of the efficiency of the administration. Accordingly, we have recommended in Chapter 3 that the Auditor-General should be empowered to conduct efficiency audits throughout the Commonwealth government administration. In the following paragraphs of this section we examine:

(a) the scope of efficiency audits;
(b) the extent of the Auditor-General's jurisdiction;
(c) the role of departments and agencies in efficiency audits;
(d) the Auditor-General's special relationship with Parliament;
(e) the resources and powers necessary for the Auditor-General to perform this extended role;
(f) the relationship of the Auditor-General and co-ordinating authorities.

The Scope of Efficiency Audits

11.4.2 Views about the scope and purpose of audits vary widely, but there is an increasing tendency to see them as becoming more comprehensive in range and influence. One of the broadest descriptions of the audit function is that sponsored by the United States General Accounting Office[2] which identifies three elements, types or stages of auditing as follows:

(a) *financial and compliance*: this form of audit determines whether financial operations are conducted with propriety, whether financial reports are

1. See Appendix 4.F, The Auditor-General, Paper 1.
2. See Appendix 4.F, Paper 4.

presented fairly and whether the agency subject to audit has complied with the applicable laws and regulations;

(b) *economy and efficiency*: this determines whether an agency is managing or utilising its resources (personnel, property, space, and so forth) in an economical and efficient manner, and seeks to reveal the causes of any inefficiencies or uneconomical practices, including inadequacies in management information systems, administrative procedures, or organisational structure;

(c) *program results*: this determines whether the desired results or benefits are being achieved, whether the objectives established by the legislature or other authorising body are being met, and whether the agency has considered alternatives which might yield desired results at a lower cost.

11.4.3 The Auditor-General's present functions are confined primarily to the first of these three elements. It will be apparent from Chapter 3, which deals with the achievement of efficiency, that the Commission contemplates that the Auditor-General should have power to audit the efficiency of departments and agencies in the use of financial, manpower and other resources and so to comprehend the second group of the elements listed above. This audit will be directed to any aspect of the organisation of a department or agency concerned which suggests a wasteful use of money, manpower or other resources.

11.4.4 It will not be easy to draw the line between studies directed to the assessment of efficiency in these matters, and those determining how far the desired results or benefits contemplated in any program under review are in fact being achieved. Even in principle, there may be some overlap. The results or benefits contemplated will generally be a complex, and sometimes competitive, set of objectives derived in varying degree from differing personal and political motivations. The assessment of success in achieving the objectives will therefore involve judgment not merely about financial and administrative competence but also about political considerations with which, in theory at least, the Auditor-General should not be involved. It is because of this component and the relevance of such assessments to the Forward Estimates and the formulation of new policies that the Commission suggests that primary responsibility for ensuring the assessment of program effectiveness should be with the Department of the Prime Minister and Cabinet, and the promotion of these program reviews is discussed in the next section (see paragraph 11.5.20). We expect that the Department of the Prime Minister and Cabinet would draw heavily on the work of the Auditor-General as revealed in his reports, and that these would be a fruitful source of guidance as to the priority which should be given to the review of particular programs.

The Extent of the Auditor-General's Jurisdiction

R312 11.4.5 The Commission contemplates that the Auditor-General's concern with the monitoring of efficiency will extend to all agencies which he audits in respect of financial regularity (see Chapter 4.4.33). This would bring under examination some statutory corporations and government companies at present outside the scope of Public Service Board and Treasury review.

The Role of Departments and Agencies in Efficiency Audits

11.4.6 As developed in Chapter 3.6, the Commission believes that the process of

efficiency assessment and efficiency audit should be built, like that of financial audit, on a practice of internal audit in the individual departments and agencies. In this way the audit will exercise its most immediate influence on the way in which the work of the department or agency is conducted. Such internal audits will reduce the burden of detailed work on the Auditor-General and enable him to concentrate on an assessment of the internal work, with detailed spot-checking where he judges this necessary, and on broader aspects of efficiency calling for expertise in assessment. This approach will place additional strains on existing staff resources in departments and agencies and the task will need to be assessed and overcome by planned development.

11.4.7 The Commission *recommends*, therefore, that departments and agencies be required to prepare regular reports or assessments along lines laid down by or agreed with the Auditor-General, and that these reports should be available to the Auditor-General, as well as being sent to the minister. The precise means by which these reports are prepared would be a matter for the departmental head, but it could well be entrusted to a committee presided over by a senior departmental officer. The results of its work could then be brought to bear on modifications of existing programs being considered in the context of the Forward Estimates. R313

Relations of the Auditor-General to Parliament

11.4.8 We recommended in Chapter 3.6 that there should be a parliamentary committee concerned to scrutinise administrative efficiency.[1] Such a scrutiny would accord with one of the traditional roles of Parliament. To be effective however, the committee would need to have a special relationship with the Auditor-General upon whose reports its work would in large part be based. To emphasise this special relationship we urge that, while the committee should have its own parliamentary secretariat, it should be advised on professional matters by the Auditor-General and his staff, and that the Chairman and Deputy-Chairman of the Committee (being drawn from the membership of the government and opposition parties respectively) should establish a close working relationship with the Auditor-General in a way which would give weight to the non-partisan role of the Committee. This special relationship would be acknowledged if the Auditor-General were appointed by the Governor-General in Council only after it had received a report from an expert selection committee the membership of which had been agreed between the government and the Chairman and Deputy-Chairman of this parliamentary committee. R314 R315

Powers of the Auditor-General

11.4.9 It would be necessary for the Auditor-General and his staff to have fully adequate powers for the performance of his expanded role. He will not be able fully to assume that role overnight. It will be a developing process, involving the gradual addition of resources and expertise. In legislative terms, it may perhaps be argued that the current Audit Act (especially section 13 which gives to the Auditor-General power to 'call for persons and papers') would suffice for the purpose of his expanded functions. The views of the Auditor-General should be obtained on this matter.

1. See also Chapter 5.1.23–26.

11.4.10 A related question is that of staffing. The Commission expects that to a large extent the Auditor-General will prefer to recruit his staff from the ranks of those employed under the Public Service Act. However, especially while the numbers of skilled staff are being built up or later, when special forms of expertise may be required, or new tasks are to be undertaken, these sources inside the Service may not be adequate. Furthermore, it would clearly be undesirable if difficulties in staffing impaired the Auditor-General's capacity to establish the basis for accountability of departments and agencies, both those with functional and co-ordinating responsibilities. The Commission hesitates to prescribe the
R316 precise degree of autonomy which the Auditor-General should have in staffing, but believes it should be sufficient to allow him to recruit specialist consultants outside the Public Service Act, and should generally be adequate to place responsibility firmly on him for the effectiveness of his organisation. It can be expected also that the enhanced role will call for additional financial resources to meet increased travel and professional development needs. There may well be other organisational matters about which special legislative provisions should be made.

R317 11.4.11 We *recommend* therefore that Cabinet authorise the Auditor-General to consult with the Departments of the Prime Minister and Cabinet, the Treasury, the Public Service Board and other relevant authorities, and report on the legislative provisions necessary to enable him effectively to undertake efficiency audits as recommended by the Commission. Whatever enabling legislation may be needed, it would appear desirable for the Auditor-General to be given statutory duties incorporating some of the provisions which are currently listed in section 17 of the Public Service Act as applying to the Public Service Board. For instance, sub-section 1(b), (c) and (d), which reads as follows:

> '(b) to examine the business of each department and ascertain whether any inefficiency or lack of economy exists;
>
> (c) to exercise a critical oversight of the activities, and the methods of conducting the business, of each Department;
>
> (d) to maintain a comprehensive and continuous system of measuring and checking the economical and efficient working of each Department . . .'

appear suitable for inclusion in substance in revised legislation. Some extension of this sub-section would be necessary to ensure that the relevant provisions included the statutory bodies to be covered by the Auditor-General's authority. Specific legislative proposals should be developed by the Auditor-General for the government's consideration. The present Auditor-General has suggested to the Commission that there would be advantage in replacing the Audit Act by an Act dealing with financial management and a separate Act dealing with audit provisions. We suggest that this proposal be explored further. The Auditor-General should also be invited to outline a program by which he would develop the resources and technical capacities necessary to the conduct of efficiency audits.

Relations with Co-ordinating Agencies

11.4.12 The changes proposed in the role of the Auditor-General will have important effects for the central co-ordinating agencies. First, their own activities and the efficiency with which they are conducted will be subject to independent critical assessment. This will bring under examination not merely their use of financial and manpower resources, but the effects on the efficient operations of

other departments and agencies of the controls exercised by them, the guidelines issued and professional advice offered. Thus for instance, if a department considered that waste was being caused by its adherence in inappropriate circumstances to the requirements of the Audit Act or Treasury Regulations, this could be said in the report on the departmental efficiency audit, and it would therefore be drawn to the attention of the Auditor-General. Similarly, his examinations would cover not only the wasteful use of manpower in departmental activities but any inefficiencies due, in the department's judgment, to unjustified restraints imposed by the Public Service Board. Again, if in the Auditor-General's view a program was being made relatively inefficient because of faulty organisation, it would be open to him to advise the department to seek specialist help from the Public Service Board, and especially from its management consultancy group. The Auditor-General's work and reports would therefore in various ways provide a continuing stimulus to the professional functions of Treasury, the Public Service Board and other co-ordinating agencies, and a means for the progressive up-dating of legislative and other controls, as well as providing more informal guidelines and advice.[1] The Commission is convinced that this aspect of the Auditor-General's role would bring clear benefits to efficiency and provide a useful way of overcoming many departments' difficulties in establishing dialogue with the co-ordinating authorities.

11.4.13 In his submission, the Auditor-General expressed the view that his work in the auditing of efficiency would be facilitated if his interaction with the co-ordinating agencies could be formalised. We agree with this submission, and accordingly *recommend* that the government authorise the Auditor-General to establish under his own chairmanship a committee comprising representatives of the heads of Treasury, Public Service Board, Prime Minister and Cabinet and Administrative Services, to assist him in the development of his role in the audit of efficiency. R318

11.5 THE DEPARTMENT OF THE PRIME MINISTER AND CABINET AND POLICY CO-ORDINATION

11.5.1 In earlier sections of this Chapter we have drawn attention to the existence of constraints which set limits to the actions of individual ministers and their departments, and to the role of co-ordinating authorities as the interpreters of these constraints. Among the most complex of the constraints in terms of the demands made on ministers are those which derive from the political philosophy or policies of the government and the party to which its members belong, and those which arise from membership of a Cabinet and responsibility to it. These constraints are an important concern of the Prime Minister and his Department. As the political leader of the government, the Prime Minister is the principal guardian of its philosophy and policies. As chairman of the Cabinet he is responsible for preserving its corporate unity and making it an effective instrument of ministerial decision. There is a significant difference in the style and purpose of these two roles. The essence of the first is the quality of public leadership by which a Prime Minister imposes a personal and political stamp on the work of his government. The second role is one of private chairmanship, requiring the capacity to combine diverse ambitious and competitive and

1. The 1975 Report of the Canadian Auditor-General on the Canadian Treasury Board financial control system illustrates this possibility.

sometimes conflicting talents into a coherent whole; to balance and to reconcile.

11.5.2 Prime Ministers will differ in the emphasis they give and the talents they bring to the performance of these roles. Some in the past have predominantly been chairmen of Cabinet, leaving initiatives largely to colleagues but holding the reins firmly. Others have sought to be a primary source of initiative in a wide range of subjects over the gamut of portfolios. The latter approach is perhaps becoming increasingly evident; it has been frequently remarked that there is a trend towards a presidential style of government in Westminster-style systems. One of the advantages of ministerial and Cabinet government is its flexibility in accommodating such changes and shifts of emphasis.

11.5.3 That these changes occur means, however, that the part of the administration which serves the Prime Minister and Cabinet particularly must be structured so that it can adapt to the needs of both the central components of government, in whatever pattern their relationships are, in the event, cast. In Australia both are served by a single department—the Department of the Prime Minister and Cabinet—although it has not always been so. A short history of the Department can be found at Appendix 4.H, and it illustrates the double line of responsibility of this Department and the complex loyalties required of it—to the Cabinet as a collective of ministers who are by tradition nominally equal, and to the Prime Minister both as an individual minister and as leader of the government.

Is the Departmental Form Appropriate?

11.5.4 These basic tasks of the Department of the Prime Minister and Cabinet are significantly different from those of functional departments, and from those of other co-ordinating agencies such as the Treasury and the Public Service Board. It is noteworthy that they are tasks undertaken in the United Kingdom, and in Canada and New Zealand—two other systems broadly following the Westminster pattern—by non-departmental organisations. These considerations have led to a range of questions as to whether there should be a Department of the Prime Minister and Cabinet at all, whether the Prime Minister should be served by a political office, whether the function of servicing Cabinet should be performed separately, and whether the Department should have any functional, as well as co-ordinating, responsibilities.

11.5.5 The basic reason for the existence of a department in Australia is probably the constitutional provision for departments of state in a context which has been interpreted as requiring that a minister must administer a department. However, the existence of a department has proved useful for other reasons. First there are certain functions which it has seemed appropriate for the Prime Minister to reserve to himself. These have included the conduct of formal relationships with State governments, the granting of honours, and related ceremonial functions. Individual Prime Ministers have additionally had special interests which they have wished to include in their own portfolio. Furthermore, new functions accepted by the government for which no obvious departmental home existed, expecially where they are of a rather general character, have tended to be placed initially in the Prime Minister's Department until an appropriate administrative structure and pattern of basic policy have evolved. Thus, within the last seven years, responsibility for government support for the arts, for protection of the environment, for aboriginal affairs, for policies relating

to women in the community, and for science, have all been placed, at least for periods, in the Prime Minister's Department. The tendency has been, however, for these functions and activities to be 'hived off' when the initial phase is over and lines of development are established. The practice of placing new functions temporarily in the Prime Minister's Department has been valuable, in some instances at least, but the Commission considers that where it is adopted it should be temporary, and the aim should be to enable the Department to concentrate on its primary tasks of servicing Cabinet and the Prime Minister.

11.5.6 The departmental form is sometimes said to be unsuitable for the function of servicing and advising the Prime Minister, since those responsible will inevitably be involved in issues of significant political content. It is presumably for this reason that in Canada the Prime Minister has his own political office rather than a department. The Commission does not find this objection compelling. The departmental form is adaptable enough to accommodate an attention to political issues. To do so adequately it may be necessary to provide room in the top levels of the Prime Minister's Department for senior advisers on short-term appointment, whose role is to inject into departmental work the appropriate political awareness. This consideration also lends weight to the right of the Prime Minister to have a departmental head who is personally and professionally acceptable to him. But, as we have indicated in other parts of the Report, these objectives can be achieved within the departmental framework.

11.5.7 In other respects the departmental form has many advantages. In particular, we believe it can provide more effectively than a separate political office for communication with other departments and agencies. This communication is essential to both the co-ordinating and leadership roles of the Prime Minister which it is, in any event, preferable not to keep apart. We have no doubt that the existence of a Prime Minister's Department comprehending both functions is a source of strength. The Commission concludes:

(a) that a single Department of the Prime Minister and Cabinet continue to be the principal administrative agency serving the Prime Minister in his roles as Leader of the Government and Chairman of Cabinet;

(b) that continuing thought be given to separating from the Department any functions which are not essential for discharging the roles of policy co-ordination, development, adaptation and review.

What Kind of Departmental Structure?

11.5.8 In the past, the Department has been organised in divisions roughly paralleling the functions of other departments. The primary purpose of these divisions has been to advise the Prime Minister on matters within the relevant functional areas, including on papers going to Cabinet. They have also provided representatives on interdepartmental committees, dealt with correspondence and prepared background material for speeches. Apart from these functionally-based divisions, there has been a relatively small and separate Cabinet Office whose functions are essentially those of managing Cabinet submissions and other material, recording Cabinet decisions and ensuring that they are made known to those involved.[1]

1. See the consultancy report, Australian Cabinet Structure and Procedures, by R. F. I. Smith, Appendix 4.G.

11.5.9 There appear to be defects in these arrangements from the point of view of servicing the Cabinet. The divisions have tended to develop a life of their own, effectively related neither to the work of Cabinet and its committees nor to the main policy concerns of the Prime Minister and the Department. Their mode of work can also lead to significant duplication, often on a less well-informed basis, of work in the relevant functional department. The Commission sees no worthwhile benefit from the building up of additional groups of officials to 'second think' the departments primarily responsible. It would be preferable if those involved in this work in the policy divisions saw their role as being rather to concentrate more on the Cabinet aspects of their work and, in this:

(a) to draw to the attention of the Prime Minister and other Cabinet ministers considerations which arise from factors apparently not fully covered in the material coming forward, particularly those outside the area of responsibility of the functional department concerned;

(b) to ensure that those best equipped to comment on these considerations in other parts of the administration are enabled to do so;

(c) to distribute work, for example correspondence, wherever possible to other departments and their ministers, rather than bring it to the Prime Minister.

11.5.10 We understand there have been moves recently to link the work of the Department's policy divisions more specifically with the various committees of Cabinet. Such changes would in our view, if carried through into the organisational structure of the divisions, greatly strengthen the effectiveness of the Cabinet Office and clarify its role. If the policy divisions and Cabinet Office of the department were in fact organised as a series of Cabinet committee secretariats it would be possible for them not merely to service the committees more adequately from the secretarial point of view, but to ensure that the necessary data and departmental and ministerial views on the issues before the committee were effectively mobilised and necessary research studies undertaken. The secretariats could also provide the nucleus for any special task forces or IDCs the committees wished to establish in order to clarify or seek solutions to particular problems facing them. They could if anything be smaller in size than the existing policy divisions.

11.5.11 It would follow from this suggested structure and the method of work proposed, that the various secretariats would be staffed not solely by persons with professional qualifications or experience in functions falling within the general purview of the Cabinet committee concerned, but also by officers with a more general capacity to grasp the issues involved, to identify relevant sources of information and to recognise relationships with other areas of governmental work. Staffing of the Cabinet Office might best be arranged on the basis of a mix, perhaps about half and half, of officers on normal posting and officers on rotation.[1] This would provide a desirable element of continuity in advising and servicing the Cabinet and its committees, help keep the system open, bring in fresh insights and knowledge from the functional departments and, when seconded officers returned to these departments, take to them the advantages of experience in working direct to Cabinet. More generally, such rotation and secondment would:

1. For an outline of the Commission's proposals in relation to rotation of staff, see section 11.6 and Appendix 3.F.

(a) avoid the development of an entrenched and powerful central agency, thereby weakening the spread of responsibility among ministers;
(b) develop the talents and broaden the perspective of promising officers;
(c) give departments greater flexibility in allocating functions among their own senior staff;
(d) promote better understanding within departments of the need for co-ordination, and provide a basis for it.

11.5.12 The Commission *recommends* that: R319

(a) the policy divisions of the Department of Prime Minister and Cabinet work as secretariats within the Cabinet Office to service Cabinet and its committees, their organisation mirroring whatever Cabinet committee structure the government adopts;
(b) these secretariats be staffed by a mix of officers on normal posting and officers on rotation from other departments and agencies.

11.5.13 An associated question is whether the presence of officials at Cabinet committees should be encouraged, and if so, on what basis.[1] Practice in this matter has fluctuated, both in Australia and overseas. There will certainly be occasions when ministers will decide to meet without officials, but their presence can frequently provide ministers with additional resources and bring under notice administrative matters[2] without over-burdening the minister or affecting the capacity of the departmental head to administer his department effectively.

11.5.14 Apart from these Cabinet committee secretariats, the Prime Minister himself will have need for a centrally placed group of officers possessing diverse skills and experience and a significant innovative capacity. This central group should be able to concentrate its attention on the issues which from time to time are judged by the Prime Minister to be of the most immediate urgency. Consequently, while the group should be small, its method of operation should be flexible enough to enable it to recruit by secondment additional staff on a short term basis from other departments, universities or the private sector, for the concentrated study of particular issues. It should be able also to throw its weight into the support of particular Cabinet committee secretariats faced with tasks which overtax their normal strength or call for special innovative capacity.

11.5.15 An effective link between this centrally placed, policy-oriented group and the general structure of Cabinet committee secretariats would be created if this 'policy unit' acted also as the secretariat for the Cabinet Committee on Planning and Co-ordination or whatever ministerial group the Prime Minister from time to time chooses to consult most closely and most extensively on major policy issues confronting the government.

11.5.16 The primary operating mode of the unit would be the task force. As indicated in the Commission's study of interdepartmental committees[3], the purpose of task forces is to bring into the process of policy developing and review the expertise of officials and others on an individual rather than a 'representative' basis. A feature of task forces is that they are formed for particular purposes and

1. This question is discussed in the consultancy paper by Dr Smith—see Appendix 4.G.
2. This was advocated by another consultant, Professor Spann. See Appendix 1.I.
3. See Appendix 4.J.

disbanded when they have been accomplished. Using the task force mode will give flexibility to the policy developing area of the Department, keep its numbers small and, in an era of rapid change, help it to form and re-form quickly as problems emerge.

11.5.17 The unit would have a continuing nucleus of officers supplemented by others seconded on rotation or appointed for a short term.[1] It could be expected that as new needs emerged, or with a change in government, fresh people from outside the Service would be commissioned on a short term basis to assist with assignments having a political emphasis. Such a mix of career public servants, some on rotation or short term secondment, with politically oriented appointees from outside also on short terms, would assist the permanent officials to understand and be responsive to their requirements, while enabling the government to make the best use of their administrative and managerial capacity.

11.5.18 These arrangements should make less necessary the appointment of additional special advisers in the Prime Minister's private office, and would ensure the more effective integration of the work of special advisers with that of the Department. Nevertheless, the Prime Minister will continue to need a personal office, much along the lines of recent establishments, attuned to his immediate needs in matters such as departmental liaison, political advice, speech writing and close-in administrative support.[2]

11.5.19 The suggested policy unit would have an essential role in the Department's preparation of guidelines for the Forward Estimates process. The Department's primary function here will be to help identify 'political' issues associated with resource allocation, ensuring that the government's priorities are embodied in departmental bids, and assisting the ministerial resolution of the issues. For this, the policy unit would need to work closely with Treasury and with the Public Service Board and ensure that a feasible range of policy options (including political questions) is presented to ministers. The unit would collaborate with the secretariat of the Economic Committee of Cabinet in performing the Department's role in the Forward Estimates process. Between them, the secretariat and the policy unit should identify political issues requiring ministerial resolution, before adequate guidelines can be prepared, and collaborate with Treasury, DINDEC and the Public Service Board in the assessment of the constraints imposed by demands on resources on the scale and content of government programs. It would probably be for the secretariat of the Economic Committee to arrange official support for the ministerial sub-committee which would be responsible for negotiations with individual ministers and their departments in reconciling Forward Estimate bids with the original guidelines.

11.5.20 The policy unit would also be the appropriate area to organise reviews of program effectiveness of the kind discussed briefly in Chapters 3.6 and 11.4 of the Report. A system of program analysis and review developed in the British Civil Service has not been conspicuously successful. Its application here is unlikely to be easier. Nevertheless, it remains important to assess the results of

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1. The nucleus should also be posted only for a renewable term, for example 3 years, for reasons outlined in Chapter 4.3.40 in relation to policy groups in departments.
2. See Chapter 4.6.

programs against their intended effects, and processes built upon the experience of the Program Analysis and Review (PAR) scheme arranged by the British Treasury with the co-operation of line departments seem to offer the best prospects, despite acknowledged difficulties. Ministers and parliamentarians obviously need to become aware of what happens when their decisions are implemented. An intensive analysis of selected programs, chosen because of their political or financial importance, and carried out by small expert groups, could contribute to this awareness. If a central nucleus of persons were associated with a series of such reviews the groups would be likely to develop and strengthen their techniques with experience. Such a nucleus would need to be supplemented by officers seconded from appropriate departments and agencies and from outside government employment. The groups should be composed so as clearly to give weight to the broad political attitudes of the government. There would frequently be merit in including an officer from the Auditor-General's staff since he would give the group access to a wide range of relevant information and judgment. The Commission envisages that responsibility for establishing such study groups and advising on the choice of programs to be reviewed should be with the policy unit established in the Department of the Prime Minister and Cabinet.

11.5.21 Accordingly, we *recommend* that authority be given to the Department of the Prime Minister and Cabinet to develop a small policy unit whose purpose would be: R320

(a) to arrange for the handling of assignments involving the development of new or modified policies where existing departmental machinery is inadequate, including major policy issues raised by Royal Commissions and committees of inquiry;
(b) to assist in the formulation of overall programs for implementing the government's objectives;
(c) to evaluate the effectiveness of ongoing programs against the general philosophy, policies and priorities of the government;
(d) to assist the various Cabinet secretariats on special assignments.

11.5.22 The Department of the Prime Minister and Cabinet structured in this way would we believe be equipped to bring both to Cabinet and its committees as the embodiment of the collective function of ministers, and also to the Prime Minister as the Leader of the Government, an adaptable, integrated and flexible form of service and support. In so doing, it would recognise that, in the first group of functions, its responsibility would be to ministers generally and, in the latter, to the Prime Minister himself.

11.5.23 *Top structure:* The importance of each of the two roles of the Department of the Prime Minister and Cabinet and the distinctive qualities required of the officials to head the sections performing these roles suggest that there would be value in a top management structure of the department which provided for two senior positions both at or near head of department status. To achieve flexibility, the position and title of Secretary to the Department could be held by either the Secretary to Cabinet or the director of the policy unit. The Secretary to the Department would be appointed in the normal way for heads of departments (see Chapter 4.5). The person to head the policy unit could if desired, like the 'Chief Adviser' recommended by the Fulton Committee in the United Kingdom, be selected with political as well as administrative and professional considerations in

mind and have a short term appointment. In the event of two appointments being made on lines such as we have suggested, both officers should have direct access to the Prime Minister.

Task Forces and Interdepartmental Committees

11.5.24 The role and the working of interdepartmental committees (IDCs) were the subject of a good deal of criticism in submissions to the Commission. It was alleged that IDCs tend to break down lines of ministerial responsibility, become battle grounds for the protection of departmental privilege, are time-consuming and often contribute little to the solution of the problems before them. To provide ourselves with clear information, departments were asked to complete a questionnaire about IDCs which they convene or to which they provide a chairman, and consultants and staff of the Commission undertook studies of fourteen IDCs and three associated sub-committees. A review of these studies appears at Appendix 4.J. The report prepared as a result indicates that IDCs can make a positive contribution primarily where there is an 'administrative' rather than a 'policy' task to discharge, and where there are no entrenched departmental policy attitudes to inhibit a committee's work. The evidence suggests that there will often be other methods of resolving problems affecting several ministers and departments which would be preferable to the establishment of an IDC, and that when IDCs are formed ministers should be aware of their limitations.

R321 11.5.25 Before an IDC is established, consideration should be given to the following alternatives:

(a) requiring the department primarily concerned to discharge the function in consultation with other interested departments and authorities, particularly where the purpose would be, for example, gathering and assessing information;

(b) appointing a task force, usually by drawing on individuals (not necessarily departmental officers) having relevant skills and background with instructions to take departmental views into account but not to be inhibited by them. This may be appropriate where an innovative solution is called for, or there are entrenched departmental views.

R322 11.5.26 In relation to task forces and IDCs when established, we *recommend:*

(a) that IDCs be normally established only by Cabinet, the Prime Minister, or by two or more ministers with the Prime Minister's approval;

(b) that a register of all IDCs and task forces be maintained by the Secretary to Cabinet;

(c) that when appointment is made of a task force or an IDC the purpose, date for report and membership be clearly defined;

(d) that a minister may, with the approval of the Prime Minister, nominate a consultant or adviser from outside his department to join a task force or an IDC;

(e) that a chairman of an IDC report progress periodically to the Secretary to Cabinet, who if, in his view, the committee seems unlikely to reach constructive agreement, may recommend to the Prime Minister

(i) the nomination of a small group from the committee to make recommendations to ministers independently of the IDC,

(ii) the appointment of a task force, with or without members from the IDC, to develop a solution or make recommendations.

(f) that the Secretary to Cabinet and, if appointed, the head of the policy unit, report twice yearly to Cabinet listing operative IDCs and indicating the current state of each one's work and the expected date of its conclusion.

Machinery of Government Review

11.5.27 It has been suggested to the Commission that a separate 'Machinery of Government Unit' should be established, possibly attached to the Department of the Prime Minister and Cabinet. We agree with the view that more conscious thought and rigorous examination should be given to proposals for administrative change, because these are almost always costly in both manpower and money and often damaging to departmental and staff morale. It is also essential, in the interests of efficiency, that there be continuing and critical monitoring of the way the various units work within the total Commonwealth administration, in relation both to one another and to the government's broad political purposes.

11.5.28 At the same time, the allocation of functions at the ministerial level is a highly political exercise, and the niceties of organisational structure will frequently have to be sacrificed to it. At the official level, responsibility for the administrative structure rests primarily with the three co-ordinating agencies—Treasury, Public Service Board and the Department of the Prime Minister and Cabinet. At ministerial level, the main responsibility must rest with the Prime Minister as the allocator of portfolios, Chairman of Cabinet and political leader of the government. In these capacities, it is his responsibility both to co-ordinate, and to allocate the work of government among ministers and their departments as rationally as possible. We have already suggested arrangements the Department might make to assist the Prime Minister as he watches over the progressive embodiment of party policy in government programs.

11.5.29 These are complex and demanding tasks, and to discharge them the Prime Minister should be able to look to expert assistance. We think this assistance could be readily available, given a slight rearrangement of existing resources. We do not support the idea of a separate Machinery of Government Unit, for two reasons. First, most of the continuing work of such a unit would duplicate work already being done as a necessary adjunct to the day to day operation of the Public Service Board and also, to some extent, of the Treasury and the Department of the Prime Minister and Cabinet. Secondly, substantial changes are likely to be called for only intermittently and will then often arise from unpredictable political events or considerations.

11.5.30 In these circumstances, it would be a waste of skilled and widely experienced officers to use them to staff such a unit. It would seem preferable to call together, as the occasion arises, those best able to provide relevant and expert advice. The important needs are to ensure that relevant material is kept up to date and that the likely sources of advice can be promptly identified.

11.5.31 Accordingly, the Commission *recommends* that: R323

(a) the Public Service Board maintain a continuing assessment of changes in administrative arrangements required on grounds of efficiency, and be responsible for formulating recommendations on such matters;[1]

1. The Public Service Board's responsibilities relating to senior appointments are discussed at paragraphs 11.6.23–24.

(b) the Department of the Prime Minister and Cabinet, using the policy unit if established, be responsible as the occasion arises for advising on general machinery of government matters, primarily by drawing upon the information and experience of the Public Service Board and relevant departments.

Ministerial Arrangements

11.5.32 It has been suggested to the Commission that the weight of administrative responsibility resting on the Prime Minister is such as to warrant the appointment of a second minister whose task would be to assist the Prime Minister in administering his Department. In our view, that is not the best approach. If the administrative burden is too heavy, the main object should be to lighten it by revising arrangements at the administrative level.[1] There is no-one who can reasonably share, as an assisting minister, the Prime Minister's primary responsibility for co-ordination of policy and for giving leadership and making decisions on important issues. Where assistance in the policy roles is needed, this properly comes from ministers, or from the Cabinet and, where necessary, from changes in their method of functioning.

11.5.33 Nevertheless we recognise that flexibility is vital, and that the administrative burdens on ministers, and especially on the Prime Minister, R324 cannot always be kept nicely in balance. Accordingly, the Commission *suggests* that, should the Prime Minister wish at any time to have assistance with administrative matters associated with his portfolio, he might consider either the appointment of a 'Minister Assisting' along traditional lines, when he will usually have a nominated area of responsibility, or the appointment of one who might, for example, be designated Special Minister of State and would discharge this function along with the duties of another portfolio. (For this reason, the Special Minister might not hold one of the more senior or onerous portfolios.) If appointed, a Special or Assisting Minister might well assist the Prime Minister in the management of some of the policy projects being undertaken by the policy unit, or in a policy field such as science (Chapter 10.2) or an area of administrative development such as regional administration (Chapter 7.3).

11.6 THE PUBLIC SERVICE BOARD

11.6.1 The functions of the Public Service Board, and the way in which it discharges them, were the main issue or an important issue in some 132 submissions to the Commission, covering virtually every aspect of the work of the Board. The issue of how responsibility should be divided between the Board and the heads of departments and agencies was a persistent theme in many of these submissions. Departmental heads argued that they should have greater responsibility for decisions about the organisation and staffing of their departments, subject to budgetary restraints. On the other hand, the Board emphasised the importance of common standards throughout Commonwealth government employment generally, and the consequent need for effective central controls. In this section we shall be concerned to examine the work of the Board as the prime instrument of co-ordination in the fields of employment, personnel practice and organisation. Other aspects of its responsibilities are discussed elsewhere, and particularly in Chapters 8 and 9.

1. This is one of the reasons for the Public Service Board having independent statutory status. See paragraph 11.6.5.

11.6.2 Throughout this Report, and especially in the present chapter, the Commission has argued that an effective performance of the co-ordinating function entails developing among those whose activities are to be co-ordinated an awareness of the need for discipline, an acceptance of the constraints which make it necessary, and an active involvement in the processes by which it is applied. Accordingly we have urged that co-ordinating authorities—particularly the Department of the Prime Minister and Cabinet, the Treasury and the Board should place greater emphasis on their educating and promotional functions, delegating greater responsibility for immediate decisions to the departments and agencies concerned, and limiting their active intervention to the conduct of spot checks and joint studies to discover the adequacy with which the delegated responsibility is accepted and performed.

11.6.3 We will, therefore, consider the work of the Board as a co-ordinator in relation to:

(a) control of staff numbers;
(b) organisational efficiency;
(c) control of salary and related costs;
(d) the development of personnel capacity.

We also examine briefly the role of the Board in other matters on which it has been an important source of advice to governments and to Parliament. Finally, we will suggest that the time is ripe for a recasting of the legislative basis for the Board's work, and will list briefly some provisions which our work suggests should be incorporated in new legislation.

11.6.4 There have been many changes since the responsibilities of the Board were last reviewed, both in Australian society generally and within the Commonwealth government itself, which justify such a reconsideration. Among those of a general character which affect the Board's work are:

(a) radical changes in the social and ethnic composition of the Australian work force;
(b) important changes in the attitude towards the work experience as a component in the quality of life—as a source of personal satisfaction, development and fulfilment;
(c) greater mobility of people between occupations and places;
(d) the beginnings of a transformation in the role of women in society and in the work force.

Similarly, in government itself there has been:

(a) a substantial increase in the functions of government and therefore of the proportion of the total work force in public employment;
(b) a diversification of the content of these functions and of the skills and capacities of staff required to perform them;
(c) a transfer to statutory agencies of responsibility for many Commonwealth government functions and therefore for a larger proportion of Commonwealth employment.

11.6.5 Notwithstanding these changes, the central functions of the Board have remained with it since enactment of the first Public Service Act in 1902, when a

single Commissioner was provided for.[1] We are not attracted to the course recommended by the Fulton committee in Britain, that the functions of a central personnel authority should be carried out by a department of state, for two reasons. First, there are several such functions which we believe should be carried out in a way which guarantees political neutrality. These functions include recruitment and selection (which in Britain have remained with the independent Civil Service Commission). Secondly, we do not believe it appropriate that any one minister, apart from the Prime Minister, should be given authority over matters affecting the staffing arrangements of other ministers' departments. However we consider it undesirable that the Prime Minister should accept additional burdens of a departmental character. In the Commission's opinion these considerations outweigh the general preference for the departmental form we have expressed in Chapter 4. We consider that the statutory independence of the Board should be maintained and that the Prime Minister should continue to be the minister responsible for the general working of the Public Service.

11.6.6 The Commission has been assisted by material prepared for it by the Board and its staff[2] and by many hours of discussion, formal and informal. The earlier material supplied was largely descriptive, but later material from the Board was progressively concerned with problems presented to the Commission, outlining action the Board had already taken or considered should be taken. Altogether this material provided a comprehensive and impressive account of the work of the Board. The Commission has been grateful for it.

Control of Staff Numbers

11.6.7 In Chapter 9.1 we have indicated that at present the power of the Board to influence the numbers employed in government departments and agencies rests upon the following bases:

(a) its approval is required for the establishment proposals of departments and some other agencies;

(b) it has authority to recommend to the Executive Council that 'positions' be created;

(c) it supervises the applications of government approved ceilings, particularly insofar as differences may be called for in their applications to various departments and agencies;

(d) it has power to conduct surveys of departments and agencies in relation to manpower use and organisational efficiency.

In that chapter we drew attention to the increasing use being made of bulk establishment approvals and other modifications of past practice designed to devolve greater authority on departments and agencies, and we have urged further changes directed to this end. We have also, in Chapter 9, urged that in future the control of numbers be exercised primarily by incorporating departmental and agency plans for future use of manpower in the Forward Estimates budget process. It is unnecessary to repeat what has already been said in that chapter. However, it is necessary to make clear how the Commission

1. The most important legislative changes since 1902 have been in the addition of a specific responsibility for promoting the efficiency of the service (section 17 added in 1922); in the revision of the promotion appeal arrangements (1945); and in the modification of the recruitment provisions (1960).
2. See Appendix 4.1.

envisages the Board performing its functions in relation to these matters, especially where the approach recommended by the Commission involves significant changes in the Board's authority or practice.

11.6.8 **Guidelines for forward estimates of manpower use:** The Board would be an important source of advice for the Economic Committee of Cabinet in the preparation of guidelines to be issued to departments to assist them in the preparation of their Forward Estimates. The Commission envisages that the Board, in consultation with the Department of Employment and Industrial Relations, would prepare for that Committee a survey of the factors likely to influence Commonwealth employment in the years to be covered by the estimates. This survey would examine elements relevant to both the demand and supply aspects of that employment. On the demand side it would draw attention to the predictable needs (in broad categories of personnel) of existing and committed programs as well as those of new programs announced or foreshadowed, so far as these had been assessed. It would also review the trends in employment, both in other levels of government and in the private sector, for categories broadly competitive with the government's work force. On the supply side, it would present a review of demographic data relating to the actual and potential work force, drawing attention to relevant considerations in the age, sex, educational and skill profiles, together with comparable material for the government's own work force. It would review the expected impact over the relevant years of expected retirements and other wastages, of plans for training and in particular, of programs to bring about planned reductions in manpower use.

11.6.9 The consideration of the content of this review, together with Cabinet policies and priorities, would enable the Economic Committee to reach a reasoned judgment on the demands for personnel which it considers necessary to make during the period covered by the estimates. The Commission contemplates that the preparation of these guidelines would involve a realistic weighing of the benefits of existing and contemplated programs against the manpower required to administer them. In this task the Board will have an important responsibility to warn the government against unduly optimistic expectations either about the economies which can quickly be achieved in the administration of existing programs or about the availability of personnel required to give effect to new programs. An important purpose of the Board's independent status is to enable it to protect the standards of administrative performance and to guard against undue government pressure on departments and agencies and those who work in them.

11.6.10 **Preparation of departmental estimates:** While it will be the responsibility of individual ministers and their departments to prepare, for consideration by a Cabinet committee, forecasts of the various categories of personnel likely to be required over the period of the estimates, such departments may well need to confer with the Board, particularly when new establishment units will be required or where significant re-organisations are contemplated as part of longer-term 'ceiling' exercises. The consultation would provide a first opportunity to bring greater realism into ministerial and departmental expectations.

11.6.11 **Co-ordination of departmental and agency estimates:** As departmental and agency estimates are assembled, the Board will be primarily responsible for combining them and seeking to reconcile them in the aggregate with the Cabinet Committee's guidelines. As we have indicated in section 11.2, we envisage this reconciliation being conducted under the guidance of a sub-committee of the Economic Committee of Cabinet assisted by officials from the Board, Treasury, Prime Minister and Cabinet and DINDEC. The Board will need, therefore, to confer with these departments as well as with those submitting estimates so that there is a reconciliation of the bases on which modifications of the original bids are proposed to the sub-committee. In this phase also the Board will be concerned not merely to reduce the departmental bids so as to conform with the aggregates proposed in the guidelines, but to emphasise to the sub-committee where policy initiatives contemplated by the government or by individual ministers would impose intolerable strains on the administration. Indeed, it is only by such a process that ministers can be effectively involved in the choices made, and political authority and responsibility for them adequately accepted.

11.6.12 Within the various departmental estimates there will be a series of provisions for contingencies and for programs as yet undecided. It will be especially necessary for the Board to comment to ministerial committees on the degree to which these contingency provisions could be covered by a central reserve provision in broad categories of manpower resources, on which individual departments could draw by negotiation with the Board directly for minor contingencies or following decisions by Cabinet where new or expanded programs are involved. The Commission considers that such Forward Estimates, when they carry ministerial and Cabinet authority could properly form the basis of planning both by the Board itself and individual departments and agencies. The Commission does not anticipate, however, that this would render unnecessary any Board control over departmental establishments.

11.6.13 **Control of establishments:** The Commission believes that the proposals outlined in earlier sections of this Report will provide a sound basis for a change in the character of the Board's control of establishments. The Forward Estimates of manpower use would provide a more clearly understood context for planning by both Board and departments, but with more scope for initiative by departments and agencies.

11.6.14 The statements which departments will make annually to the Board of their manpower requirements for the next two or three years will represent a development of the forward manpower estimates on which the Board has recently been working. The object will be to provide, in a fair degree of aggregated detail consistent with the guidelines and for the Forward Estimates period, an indication of where the department or agency expects to encounter increased or reduced workloads, how it proposes to redeploy staff from one area to another to meet changing workloads, and its new requirements for staff in broad occupational categories. These estimates will be the subject of discussion between the Board and the departments and agencies concerned. This should result in a largely agreed outcome, but substantial matters of disagreement would be referred for decision to the Cabinet sub-committee, along with the Board's general advice to the government on manpower requirements and the correlated financial submissions.

11.6.15 Discussion of the forthcoming Budget-year estimates (including staffing estimates involved in forward expenditure commitments) will need to be in rather greater detail than those of the later years in the Forward Estimates program. Departments will have scope to exercise initiative by changing the arrangements set out in the Forward Estimates, but they would need to notify the Board of changes made and of variations in relation to the salary levels at which additional staff would be employed. In the whole process, the emphasis will be on obtaining government decisions on the maximum numbers in broad categories that a department or agency may employ consistent with the approved Forward Estimates and, ahead of each Budget year, consistent with overall Budget policy. Rather than being involved in detailed position and organisation control, the Board's role will be to satisfy itself that initial departmental estimates as to staff categories and levels are reasonable and that any revisions following adjustments in the estimates are also reasonable. The Board will have the power to review the way in which departments are using their staff, by procedures based on those now in operation for the Board's staff utilisation reviews. In conducting these reviews, the Board would receive advice from the Treasury and the Auditor-General about areas in which it appeared there might be some question about the effective utilisation of staff.

11.6.16 The Commission does not contemplate a formal transfer of legal responsibility for classification of staff positions from the Board to the departmental head, but rather an appropriate delegation by the Board which, since it could be withdrawn, would leave the Board holding a reserve authority. This reserve authority, backed by the conduct of staff utilisation studies, joint organisational studies and the efficiency audits carried out by the Auditor-General would, in the Commission's view, represent more adequate protection of proper standards of manpower use than a system of *ex ante* examination and approval in detail of departmental establishments.

11.6.17 The maintenance of comparative standards in classification, and therefore in general levels of salary, is the critical element in preserving their integrity and comparability with external standards. Nevertheless we consider that, given an adequate statement of standards and guidelines from the Board, departments should be best able to judge the level of competence, qualifications and experience required for a particular task and therefore to determine the classification for the work. It will, however, remain necessary to guard against departmental heads seeing their own work as of special importance and against the desire to build a competitively impressive 'empire'. The Commission believes, therefore, that, within the approved Forward Estimates and a broad establishment profile accepted by the Board, the departmental head should have delegated authority to classify positions. Because of the critical nature of these decisions, we *recommend* that the Board should conduct regular checks to satisfy itself that its standards and guidelines are being observed, and should retain the right to reclassify any position if it judged this necessary. R325

11.6.18 If Board control of departmental and agency employment is exercised in the way we have described above, there will no longer be the need for the Board to use the device of formal position creation. The procedure is over-elaborate, excessively focused on detail and adds a large and primarily routine body of work to the business of the Executive Council. The Commission *recommends* therefore that section 29 of the Act be repealed at an appropriate time. In the meantime, R326

and as the Forward Estimates process is developed, the Board should approve for each department each year a complement of positions (until section 29 is repealed, this could be accomplished by the creation process) that will meet the department's total range of needs within the maximum numbers determined.[1]

The Board and Organisational Efficiency

11.6.19 The responsibility of the Board to ensure reasonable discipline in the use of manpower gives it important functions in relation to the organisation of work in departments and agencies. In the past the Board has performed these functions predominantly by:

(a) *ex ante* consideration of and decisions about departmental organisational plans and establishments;
(b) control of classification;
(c) section 17 studies;
(d) manpower use reviews.

The changes proposed will require a shift of emphasis in the Board's work, placing greater emphasis on its work as a source of expertise (that is as a consultant), on its sponsorship and monitoring of experiments and on increased participation of the departments and agencies in joint 'section 17' and manpower use studies.

R327 11.6.20 For these purposes we see value in the Board having a small but competent group to provide specialised management consultancy services on a full time and expert basis for Commonwealth government employment generally. Outside management consultants, although useful as bringing a 'fresh eye' to the workings of the Service, can on many occasions be of only limited value to a government organisation. The consultancy group should be small in number, with an emphasis on expertise and freshness of approach—20 or 30 would be a maximum size—staffed largely on a rotating basis, with people brought to it for relatively short periods from the management service groups in departments, from policy or operational areas of departments and from the private sector. If the group is to be kept small, it will from time to time be preferable to use specialised consultants from outside, rather than to carry an establishment covering all fields of organisational skills.

11.6.21 It has been put to us that it would be preferable to have a separate Bureau of Management which would to some extent operate in competition with the Board and provide the departmental or agency head with an alternative source of advice. There is some attraction in this idea, but, on balance, we have concluded that with the removal of its possibly conflicting role of detailed structural auditing, the Board could effectively discharge the efficiency promoting function, drawing occasionally on outside support.

R328 11.6.22 The Board should, in the Commission's view, continue to provide advice to the Prime Minister on the broader questions involved in the organisation of the work of government generally. For this purpose it should maintain a continuing assessment of the adequacy of existing administrative arrangements and confer with the Department of Prime Minister and Cabinet so

1. A fuller discussion of the way in which the new manpower control and departmental establishment arrangements might be expected to operate is set out in the explanatory note in Appendix 4.I Paper 1. Paragraph 9.1.9 contains a more detailed description of the procedures to be implemented in place of the processes associated with section 29.

that it would be ready, as opportunity offered, to provide information and advice to the Prime Minister. This matter is dealt with more fully in paragraphs 11.5.27–31.

11.6.23 **The Board and higher appointments:** Closely related to its responsibilities to advise the Prime Minister on the machinery of government is the help which the Board can give to departmental heads, ministers and Cabinet in relation to higher appointments, whether in departments or in statutory agencies. The Commission considers that the practice followed in the United Kingdom of maintaining, and keeping up to date, lists of possible candidates for higher appointments, supported by information about their qualifications, experience and performance, could prove valuable in Australia. The Board could well be responsible for the maintenance of such lists and stand ready to advise ministers or Cabinet in relation to relevant appointments.

11.6.24 To provide a basis for this work, the Commission *recommends* that: R329

(a) each year the Chairman of the Board contact each departmental head and head of major statutory agencies seeking the following information
  (i) details of foreseeable vacancies likely to be occurring in the department or agency in the forthcoming eighteen months,
  (ii) a return on each officer occupying a senior post, each officer at the threshold of promotion to a senior post, and any other officer whom the departmental head considers may be ready for promotion to a senior post within the forthcoming eighteen months;

(b) the return referred to in (a) (ii) above indicate whether the officer in question is ready for
  (i) promotion, and if so, whether he or she can be regarded as promotable to any position or only to particular types of positions, for example, within his or her own specialist area,
  (ii) transfer and, if so, whether within the department or elsewhere,
  (iii) transfer to a central policy or management organisation, for example to a post in the Department of the Prime Minister and Cabinet, the Treasury or the Public Service Board,
  (iv) transfer to a less onerous position,
  (v) selection for a period outside the Public Service—in commerce or industry, the service of another government, a labour organisation, or an educational institution;[1]

(c) the officer concerned witness the return and have the opportunity to add his or her own comments;

(d) the Public Service Board have the option of interviewing officers concerned and, in any case, endeavour to interview all such officers once in every five years;

(e) in addition, the Board be responsible for maintaining lists of the names of 'outside' people who might be suitable for appointment, particularly to a statutory body's governing board.

The Board and the Control of Salary and Related Costs

11.6.25 The Board's co-ordinating function covers also the maintenance of

1. See Chapter 6.3.29 for recommendations on exchanges of personnel with the private sector.

order and even-handedness in the adjustment of salaries and wages. The procedures involved in these processes are reviewed in more detail in Chapter 9.6.41–54. However, we consider here the difficult question of the degree of autonomy which the Board should have in negotiation, and in arbitration proceedings in relation to wage and salary determinations. At present these are matters within the Board's competence, subject to the right of Parliament to disallow its regulations and (separately) to a decision by the appropriate industrial tribunal.

11.6.26 It has been argued that, at times when wages and incomes policy is a critical component in economic policy, it should be within the power of the government to establish a pattern of wage and salary levels within its own employment which could act as guidelines in other fields of employment. Accordingly it has been proposed to us that, while the Board's authority in these matters should prevail in general, it should be required to accept a formal direction from the Governor-General-in-Council as to the limits within which it should exercise that authority.

11.6.27 There is a dilemma to be faced here. If the Board is successfully to negotiate and participate in arbitral processes in these matters, its credibility will depend on the consistency with which it behaves, and the standards of objectivity and integrity it maintains. Its capacity to maintain such standards will always be in question if it is called upon to argue a case which runs counter to principles it has previously espoused. If there were no other means by which the government's view could be asserted, this risk might have to be taken: but, if it were, the Board should have the protection of a formal public direction from the Governor-General-in-Council. However, in such instances, arbitral proceedings will almost inevitably be required, and it is open to the government for it to intervene and have its views expressed and taken into account.

11.6.28 On this difficult question, the Commission considers, on balance, that the long-term advantages of removing from government the burden of decision, accompanied as it would be by political pressures, outweigh the possibility of advantageous intervention in circumstances of special seriousness; and that this is especially the case when intervention remains possible by other means.[1]

The Board and Personnel Development

11.6.29 Inherent in the Board's co-ordinating function will be the task of ensuring that it supplements action taken by individual departments to ensure that, for those aspects of Commonwealth employment as a whole for which it has responsibility, there is available a work force of adequate quality, training and experience. Broadly, this calls for appropriate procedures for recruitment, training, placement and promotion. These matters are dealt with in some detail in Chapter 8, which indicates the Commission's views on the principles which should guide the Board and the departments and agencies concerned in relation to them.

11.6.30 **Planned mobility:** Here we wish to touch upon a matter in which effective action may well depend upon action or support by the Board—the development of mobility of staff within departments, between departments, and between Commonwealth and other employment as a means of:

1. Commissioner Bailey's reservation is set out at the end of the Chapter.

(a) increasing job interest and satisfaction;
(b) increasing scope for personal promotion and development;
(c) improving efficiency;
(d) encouraging innovation and enterprise generally.

11.6.31 A number of considerations have been brought to our notice justifying greater mobility.[1] First, demographic data indicates that over the next ten years shortages of experienced officers will develop, particularly in the more senior grades, as the post-war intake of staff retires. Increased mobility among younger officers could serve both to develop them as effectively as possible, and to allocate their capacities fairly among all agencies. Secondly, it seems likely that Commonwealth employment will grow less rapidly over the next 10–20 years, making job interest and enthusiasm more dependent on factors other than rapid promotion.

11.6.32 Thirdly, there seems to be a need to counter an 'inbreeding' characteristic of the co-ordinating departments, if communication between them and 'line' departments and agencies is to be infused with insights derived from work 'in the field'.[2] A system of rotation of officers between departments and the central agencies, strengthening functional departments and contributing to the understanding of co-ordinating authorities, would contribute to a sense of unity and cohesion in the Service. The experience of the Department of Foreign Affairs, which is also characterised by a low rate of intake from other departments but has made efforts at staff exchanges, shows that a rotation scheme is most unlikely to develop effectively on a bilateral basis.

11.6.33 Fourthly, greater movement both ways between the 'Canberra' and the 'non-Canberra' Service would widen the range of opportunity for officers in both, and would lessen the dichotomy between them, with benefit to both communities. Finally, we have noted the very small movement from the departmental Service to statutory bodies, and the even smaller reverse movement (primarily because the provisions of the Officers' Rights Declaration Act do not apply to officers leaving statutory bodies to join departments). The result is often a curtailment of career opportunities, an uneven spread of talent and sometimes the development of isolated backwaters of employment exposed to little stimulus and offering little scope for capacity.

11.6.34 The Commission *recommends* that the Board, in consultation with departments, staff organisations and statutory and other agencies, develop a scheme of staff rotation to supplement the personal initiatives of individual staff members. The scheme should not be limited to senior management and professional staff, but should involve also officers at senior levels of the present third and fourth divisions. Departments themselves should be responsible for encouraging internal movements of staff at lower levels, and for supplementing moves at more senior levels initiated by the Board. R330

11.6.35 At present there is a tendency for officers to 'get stuck' in a particular job rather than to find themselves moving too often. An expectation that one would not ordinarily stay more than a reasonable time in one job would increase

1. See Appendix 3.F, Mobility.
2. See Appendix 3.A, Paper 11, The Co-ordinating Departments, and Paper 8, Birds of a Feather in Foreign Affairs.

job interest, encourage the development of a person's full capacities, and assist more flexible and effective administration. This is not to deny that some will prefer to remain longer in a job they enjoy and perform efficiently, and in which they make a contribution to the organisation. Nor do we believe that moves should be so frequent as to prevent competence in the job being developed and assessed. Too frequent movement tends to disrupt departmental operations. However, people should be able to look forward to a change in work environment or in the departmental context within which they discharge duties. Planned moves of the kind contemplated could valuably supplement the normal 'ladders of promotion' of which staff would ordinarily be aware or to which their attention was drawn (see Chapter 8.4.28).

11.6.36 Mobility at senior levels—the top levels in the present third division and in the second division—must be regarded as a Service-wide issue and not one which can readily be handled wholly within the framework of a single department. It will be an important task of the Board, in consultation with departments and authorities, to develop such mobility over time. In large part, we would expect the Board to act with the consent and co-operation of the officers concerned and their employing authorities.

11.6.37 Where, for some reason, difficulties were experienced with a particular
R331 department, we *recommend* that the Board should not hesitate to use the power of directing temporary transfers of staff which is currently contained in section 51 of the Public Service Act. (We note that the Victorian Public Service Board has, in section 51 of their Public Service Act 1974, a power of transfer not limited to temporary transfers.) However, since the primary purpose of this planned mobility is increased diversity and opportunity for the individual officer, it would clearly be unwise for the transfer to be forced upon him. The Commission believes that the Board should respect the wishes of officers not to be moved if they do not respond to persuasion.[1]

11.6.38 An important aspect of the Board's responsibility for personnel development will be in the special measures taken to ensure that the more disadvantaged members of the community generally are given opportunity to obtain Commonwealth employment and to advance within it according to their full potential.[2] This responsibility means that the Board:

(a) is required to exercise its powers under the Act in a non-discriminatory way;

(b) has power to initiate action to assist disadvantaged persons to acquire additional qualifications and experience which will enable them to enter Commonwealth employment and to perform more effectively in it.

The Board's Report to Parliament

11.6.39 The Board's authority derives from Parliament, and it is therefore appropriate that it should report annually to it. While the Commission envisages that the formal audit of the organisational and financial performances of departments and agencies will be the responsibility of the Auditor-General, it
R332 believes that the Board's report should be a comprehensive source of information

1. While Section 52(2) would, in its terms, be available to require an officer to accept a transfer, we do not envisage its use in the rotation scheme.
2. This question is dealt with more fully in Chapter 8.3.

about Commonwealth employment, providing a continuous and developing picture of changes affecting its efficiency. To this end, the Board should confer with Treasury, Prime Minister and Cabinet, the Auditor-General and the Australian Bureau of Statistics to devise a standard statistical basis for its reports.

Scope of the Board's Responsibility

11.6.40 This section has been written largely on the basis of the responsibilities of the Board envisaged in the present Public Service Act. But powerful arguments have been advanced for giving it some responsibilities for Commonwealth employment generally, and for extending its co-ordinating role to some aspects of the personnel and organisational concerns of some statutory agencies.[1] The previous Prime Minister drew the attention of the Commission to the fact that, since the establishment of Australia Post and the Australian Telecommunications Commission, less than 40 per cent of Commonwealth employment comes within the Public Service Act, and invited it to consider the relationship between the Board and agencies responsible for employment under other Acts.

11.6.41 We recognise, as does the Public Service Board, that while some degree of co-ordination over the general field of Commonwealth government employment may be desirable, different agencies have different and specialised functions and needs. However, there are overwhelming reasons why the government and its agencies should co-ordinate certain aspects of government employment and why, for some purposes, Commonwealth government employment should be regarded as a single if rather loose entity. If this were done it would make available across Commonwealth government employment generally the expertise which the Public Service Board is equipped to provide. It would enable staff to move on their own initiative over a wider range of Commonwealth employment. It would facilitate the arrangements for Service-wide transfers we propose, and it would promote greater even-handedness in certain rights of employees and in basic terms and conditions of employment. A broader 'Commonwealth Service' of this kind could also make for greater ease of movement between Commonwealth agencies and the agencies of State and local governments.[2] In the longer term, it may even promote forms of common service similar to those which now exist in some joint Commonwealth-State activities such as the Albury-Wodonga Corporation and the Joint Coal Board. Such common service would promote mobility and make easier the preservation of rights for those who move.

11.6.42 The first step would be to bring together in the Board responsibility for all legislatively determined conditions of employment which apply to all Commonwealth employees. The Commission *recommends* that under the Prime Minister, the Board should be responsible for administering all such legislation which applies universally or almost universally to Commonwealth government employment. At present it has administrative carriage of the Commonwealth Employee's Furlough Act, the Maternity Leave Act and the Officers' Rights Declaration Act. Our recommendation suggests that in addition to administering any new provisions of general application, the Compensation (Australian Government Employees) Act and the Superannuation Act and related legislation should be administered by the Prime Minister, and that the statutory authorities responsible for them (and their staffs) should work in association with the Board. R333

1. See Chapter 9.4, Towards a Unified Service
2. See Chapter 7.4.17.

The second step would be to embody in legislation the basic common conditions of employment applying to all Commonwealth employment and to define the role of the Board in relation to the employing agencies concerned.

11.6.43 Whether or not the legislation should be contained in the one enactment, or form part of a related whole, is not for us to decide. However, it should be the object of any legislative provisions that the Board discharge its general role largely by persuasion. Where it has 'teeth', these would be designed essentially to enable it to lay down standards and monitor those standards rather than to give it detailed powers of control over departmental and agency management.

11.6.44 Thus, the Commission considers that, while there could be a Parliamentary Service under the authority of the Presiding Officers (see Chapter 9.4), the basic employment conditions would apply to its staff also. Autonomous agencies such as the Commonwealth Bank, TAA and universities and other similar educational institutions should continue to enjoy the independent powers provided for in the relevant legislation. Where a body is not currently in a statutory relationship with the Board, it would be a responsibility of the Board to negotiate with it about the extent to which the common employment provisions should apply.

A New Act

11.6.45 The changes contemplated and proposed in this and other sections affecting the Board are profound and comprehensive, affecting its objectives, methods of work and the scope of its authority. The Commission considers that there would be merit in now redesigning the Act so as to:

(a) define the scope of the Board's responsibilities;
(b) express its objectives, functions and powers in a form which would provide a continuing guide to the conduct of its affairs;
(c) clarify its relationships with departments and agencies within its responsibility, with the government and with Parliament.

11.6.46 As indicated in Chapter 4.4.21–22, we believe it desirable that, where appropriate, a statutory body should have included in its legislation a charter setting out its broad objectives. This is associated with our view that in a Service more specifically organised towards the effective achievement of objectives, and to measurement of efficiency, those objectives should be stated. It will provide bodies granted a measure of statutory autonomy with statements of principle which will guide their activities and help them to be flexible in the way they organise their resources. The formulation of objectives in this sense is a difficult matter. The Task Force on Efficiency working paper prepared by Professor Caiden contained a suggested charter.[1] Another approach is represented in the second submission to the Commission of the Public Service Board.[2] Consideration might be given to those suggestions in association with the major review of the
R334 Public Service Act which we propose. For the present, we *suggest* that in any new Act the charter of the central personnel agency should be framed so as to include the following:

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1. Task Force on Efficiency Working Paper, *Towards a More Efficient Government Administration*, p. 110.
2. Public Service Board Second Submission, paragraphs 5.2, 5.13.

In the discharge of its functions, the Public Service Board (preferably retitled the Commonwealth Personnel Commission to reflect its wider sphere of influence and role) is:

(a) to act as the central personnel authority for the Commonwealth;

(b) to promote the efficient, effective and economical management and operation of all agencies and staff in the service of the Commonwealth;

(c) to encourage the effective allocation and utilisation of the human resources in Commonwealth employment;

(d) to conduct or to supervise the conduct of experiments in the management and organisation of Commonwealth employees, with a view to promoting the foregoing objectives;

(e) to ensure that in the appointment of a person to Commonwealth employment, and in his or her promotion and transfer within that employment

  (i) there is no discrimination on grounds unrelated to the needs of the work to which the appointment, promotion or transfer is made or of work reasonably likely to be undertaken by that person,

  (ii) the relevant decisions are based on careful assessment of personal qualifications and attributes for the work,

  (iii) special measures are taken to secure adequate advancement of members of disadvantaged groups, provided the measures do not lead to the maintenance of separate rights for the members of such groups and are not continued after the objectives for which they have been taken are achieved.

11.6.47 A number of the major recommendations included in this Report will make it necessary to amend the existing Public Service Act and related legislation. The Commission does not intend to suggest comprehensive or precise instructions for new legislation, but offers the following comments as reflecting the spirit intended by specific recommendations:

(a) *section 17:* the section as presently worded requires the Board to devise the means for and promote efficiency in departments, and also to examine (or audit) efficiency and economy and take certain steps to bring the results of its audit to attention. Under the Commission's recommendations it will be necessary to retain the spirit of section 17 as it relates to promoting efficiency in departments etc, and the existing sub-section (1)(a) contains the key provisions. Sub-section (1)(b), (c), and (d) should more appropriately appear in the Audit legislation to support the enhanced role intended for the Auditor-General (see Chapter 3.6 and section 11.4);

(b) *section 19:* the Commission's recommendations do not envisage any lessening of the need for the Board to enter departments etc. as provided for in this section. Clearly, if the Board is to pursue its monitoring of departments' classification practices etc. effectively, it will need to have access to departments and agencies;

(c) *section 29:* the Commission recommends that the process of creating and abolishing offices be abolished after a suitable period of preparation. This preparation should be associated with the introduction of a system of Forward Estimates which will allow the government to approve reasonably

precise manpower levels for individual departments and agencies. After such preparation, it will be possible to repeal section 29 and replace it with a provision reflecting a situation where departments can operate flexibly within a manpower budget determined by the government, and employing classifications within the guidelines prepared and promulgated by the Public Service Board. In the interim period, until a system is developed to a satisfactory level, the Board should use its section 29 powers in the spirit of the recommendations in this Report to establish a complement of positions, leaving individual positions (and staff) to be flexibly deployed by departments and agencies;

(d) *sections 33–48:* these provisions relate to the appointment and recruitment of officers. Basically they should remain in as much as they relate to maintaining the central personnel authority as the appointing body but with greater delegation to departments and agencies than presently exists. As in the past, the Board should delegate its recruitment and appointment powers selectively to departments and agencies (see Chapter 8.2);

(e) *sections 55–56:* these provisions relate to offences and will need to be amended in line with the Commission's recommendations for a revision and integration of the grievance machinery (see Chapter 8.5).

11.6.48 A number of the other recommendations contained in the Report relating to matters such as responsibilities of the departmental head, conditions of service (for example, retirement provisions, seniority), abolition of the divisional structure, general delegation arrangements and involvement of officers in industrial action, will also obviously require extensive adjustment to the existing legislation.

The following reservation has been expressed by Commissioner Bailey on paragraph 11.6.28:

I feel unable to support the 'on balance' view of the Commission because it seems to me that in a system of responsible government in which ministers have to take final responsibility for major policy issues, the government should reserve for itself a power of direction to the Public Service Board on policy in relation to the salaries and wages of its employees. My reasons can be summarised as follows:

(a) the Commission's proposal that the Board have a power of determination not subject to disallowance (paragraph 9.6.17) removes even the power the government currently has (though does not use) to disallow regulations made by the Board;

(b) as the government has no direct power over wages generally, it would be well advised to preserve for itself power at least over wages policy in relation to its own employees: much of the thrust of the Commission's recommendations for a wider jurisdiction for the Board (paragraph 9.4.6) would be nullified without a power of direction;

(c) in my judgment, the absence of a power of policy direction has led to less favourable overall outcomes (to government, Board, staff and community) than if such a power had existed and been occasionally used;

(d) the existence of a power of policy direction would in my view enhance, over all, the autonomy of the Board in essential matters—and the balance of

having a statutory Board with government power of policy direction seems to me preferable to the alternative of a ministerial department with a relatively weak personnel authority as in Britain and Canada;

(e) the arbitration point seems to me to be something of a red herring: there is to me just as great a risk in the government being forced to appear in the Arbitration Commission to argue against the policy underlying Board determinations (paragraph 11.6.28) as there is in the Board having to comply with policy directions issued by the government when the Board negotiates with unions or when it appears before the Commission (this kind of situation has already in effect occurred in the past and is better clarified than left obscure);

(f) lines of responsibility would be clarified, again a theme in the report.

In the last analysis, whether or not the government takes a power of direction is a political issue. While there are risks in either course, I have sufficient faith in the political processes to persuade me not to support the Commission's recommendation. The important element to emphasise is consultation. If a power of direction is to be reserved to the government, then a process modelled on that of section 11 of the Reserve Bank Act would be suitable (and, if incorporated in the new legislation, could be substituted for the somewhat unsatisfactory procedures available in section 18 of the Public Service Act for situations where the Board and the government are not in agreement). If, as it should, such a provision were to lead to adequate consultation, it is unlikely that the power would often have to be used, but the roles of government and Board would be clarified.

Part C
Achieving Change

Chapter 12 Achieving Change

12.1 THE PROCESS OF CHANGE

12.1.1 Change is a characteristic of all human affairs; and there is powerful evidence that the rate of change has for many years been increasing, and continues to increase. Those involved in the processes of government, which bear upon almost all aspects of society, should be aware of change. They should have available ways of adapting those processes so as to preserve their functional relevance and efficiency. The point applies whether or not the changes are judged to be socially useful by one's particular value standards.

12.1.2 A persistent theme of this Report, underlying many of its recommendations, is the need for adaptability, for those in the administration to be aware of and responsive to the facts of social change. We have made it clear that an effective response must be preceded by analysis of the nature of the changes occurring, examination of the alternative responses in the light of the government's objectives, and further analysis of the means available to make the response. We have also emphasised that adaptability implies a readiness to take risks, to experiment, in the interests of finding the right means to achieve greater efficiency. If the spirit of these recommendations infuses the attitudes of officials, adaptation is more likely to become a continuous, self-generating process. It would not, however, be wise to rely wholly on such internal sources of self criticism and adaptability. External stimulus is from time to time necessary, as is the 'lateral thinking' of persons with wide but different experience. The Commission believes that the delay in setting up a study of the kind it has undertaken has been unduly long.

12.1.3 Such studies should occur more frequently. They do not all need to be as comprehensive as the one this Commission has undertaken—indeed, generally it would be desirable if their scope was more sharply delimited. Thus, we have referred in Part A to the fact that our inquiries have not touched upon the activities of the administration in the Defence area, despite its critical importance in the use of resources and the great significance of the organisational changes which were still in process during our work. We *recommend* that, after a few years' experience of the present pattern of Defence administration an independent body be appointed to undertake a thorough study of the effectiveness of the structural arrangements and their possible relevance to other fields of government responsibility. R335

Outside Inquiries

12.1.4 Independent studies and inquiries can be a source of fresh thinking and adaptation, a stimulus to greater effort and efficiency. They can be a means of resolving issues which are peculiarly difficult for the government administration, chiefly perhaps because entrenched interests or because of the delicate balance of

power and prestige that exists in the upper levels of the administration. 'Caesar to Caesar' dealings compromise the prospects for the expression of internal criticisms. Such inquiries can also draw, for short periods, on scarce but valuable community resources. It is important, therefore, that an effective machinery for their conduct should exist.

12.1.5 The only machinery at present that makes general provision for the conduct of 'outside' inquiries is specified in the Royal Commissions Act 1902–1973.[1] Outside of it, an alternative exists to institute inquiries pursuant to the executive power of the Commonwealth; but such inquiries do not have an adequate range of powers available, nor can they provide the necessary protection to witnesses and others who submit material or undertake work for the inquiring body. In this respect, the Commonwealth government is less well placed than most national governments, and even several of the Australian States, which have legislation to authorise inquiries with different purposes, powers or status than those of Royal Commissions.

12.1.6 To ascertain the views about the adequacy of the existing arrangements of others who have had recent experience in the conduct of inquiries, we prepared a paper for discussion and circulated it, together with a number of supporting documents, to members of existing Royal Commissions and other bodies conducting inquiries.[2] We have not had sufficient time to follow up to a point of finality all of the wide range of constructive responses received, but our recommendations below draw heavily on them, as well as on our own experience.

12.1.7 Our assessment is that some of the provisions of the Royal Commissions Act need improving, and in addition there is a need for legislative provisions to facilitate a style of inquiry which is based less upon submitted evidence and more on informal discussions with those who can contribute, supplemented by research drawing on material already in existence or prepared for the purpose of the inquiry. Sir Henry Bland has observed that there are two broad types of 'outside' inquiry:

> '(a) those whose purpose is to determine facts or the truth or otherwise of allegations and to fix responsibility—leading to a decision of precision confined to evidence formally adduced and subjected to detailed testing;
>
> (b) those whose purpose is to examine the continued appropriateness of particular legislation (or its administration) or practices or to discover the current circumstances relating to a particular matter and to ascertain views on the need for legislative changes, new legislation or other appropriate action—leading to a report with recommendations of a judgmental or attitudinal character not necessarily confined to the material adduced by those making submissions.'[3]

12.1.8 Cases of type (a) require processes analogous to those of courts of law. They may lead to the institution of legal proceedings of one sort or another against individuals and conceivably to legislation or the revision of administrative

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1. Some specific purpose legislation, e.g. the Industries Assistance Commission Act 1973, and the Environment Protection (Impact of Proposals) Act 1974, makes provision for the conduct of inquiries under that legislation, but this is only available within the framework of the particular Act.
2. The text of the document circulated appears under the title The Royal Commissions Act at Appendix 4.K.
3. Extract from letter to the Chairman of the Commission of 14 November 1975.

arrangements to cure some defect. By contrast, cases of type (b) require the assembly of information from a wide range of sources and the use of a variety of methods of investigation. The information may come by way of oral discussions or written submissions, by the tendering of publications, by research undertaken by the inquirers or their staff, by sampling public opinion, and so on. Here, informality and flexibility are needed. The testing of alternatives is often better done by circulation of documents for comment, or by informal discussion, than by court-like procedures. We see no need to have separate legislation to provide for each of these two main types of inquiry. Rather, it may be preferable to have a single Act which would provide a suitable framework for both.

12.1.9 It is also necessary to consider how much the autonomy of bodies of inquiry needs protection. For the resources needed to carry out their work, they are at present very much dependent on the minister administering the Royal Commissions Act, and his department. Particularly in the area of staffing, some bodies of inquiry have experienced difficulties and have felt that there should be a recognised right of direct access to the Public Service Board. There was also general agreement on the need to develop a handbook of guidance on general aspects of the administration of Royal Commissions and other bodies of inquiry.

12.1.10 There are many detailed and often complex legal problems associated with the Royal Commissions Act. These are analysed in some detail in an attachment to the paper we circulated (see Appendix 4.K), and will need to be the subject of further research and discussion. However, drawing on our experience and the responses of others involved in conducting inquiries for the Commonwealth government, we *recommend* that the Royal Commissions Act be examined with a view to its repeal and replacement by a new and improved Act covering public inquiries generally. R336

12.1.11 If new legislation along these lines were to be enacted, it would of course continue to be possible for the government to appoint bodies of inquiry as at present under the general executive power of the Commonwealth. These investigations might be expected, as in the past, to be more numerous than inquiries appointed under the proposed legislation. Nevertheless there will continue to be a need for legislatively backed machinery to allow a wide range of inquiries where the executive power is, for one reason or another, felt to be inadequate or inappropriate.

12.2 IMPLEMENTATION

12.2.1 The Commission has reviewed comprehensively the working of the Commonwealth administration, and has submitted a wide ranging set of recommendations for its reform and development. If the key components of the recommendations are adopted by the government and applied to the practice of the administration, the effects will be pervasive—affecting profoundly the patterns of work of most officials at all levels. It is, therefore, to be expected that the consequent changes will be achieved only progressively, as the result of careful planning and dedicated effort. Even if such care and dedication are applied, there will be major difficulties to be overcome.

12.2.2 On the other hand, the Commission has recommended few new major institutions or major changes in the general field of responsibilities of existing

departments and agencies.[1] The Commission believes that there is sufficient flexibility in the organisation and methods of work of existing institutions to encompass the changes contemplated. The absolutely necessary condition is that those within the institutions accept the principles which underlie the recommendations, and become effectively involved in working out the detailed ways to apply them. The principle of achieving greater commitment to government objectives by participation in the process of translating them into action, which the Commission has advocated throughout this Report, should apply to the implementation of its own recommendations.

12.2.3 Perhaps the most significant changes envisaged by the Commission flow from our emphasis on the primary responsibility of the individual department or agency for efficient use of resources, and the consequential changes in the role of the co-ordinating authorities, particularly the Treasury and the Public Service Board. But the Commission has been conscious that such a change of emphasis, however valuable if sensibly achieved, could fail, either because of the inertia and passive resistance inherent in established institutions and patterns of authority or, on the other hand, because of too enthusiastic and unplanned action which merely undermined existing responsibility without establishing an effective alternative. The first of these two risks is intensified if the proposals are not adequately understood or lack ministerial backing. The reality of the second risk is illustrated by recent observations of the Canadian Auditor General in evidence to the Canadian Standing Committee on Public Accounts,[2] which suggests that efficiency in the Canadian administration has been adversely affected by a too enthusiastic and undisciplined devolution of authority to departmental managers and by a failure to carry through all the implications of the Glassco Commission's recommendations. Co-ordinating authorities emphasise the risk of a too enthusiastic devolution. Indeed, the final discussions the Commission has had with the Treasury and the Board have made clear their conviction that any major reduction in their own authority will weaken essential disciplines.

12.2.4 It is essential that the Commission's proposals provide adequate safeguards against a breakdown in standards while holding to its purpose of achieving greater initiative and enterprise of managerial staff in departments and agencies at all levels, establishing more effective communication with and responsiveness to the community, giving greater scope and job satisfaction to those employed in departments, and bringing greater reality and substance to ministerial responsibility. To these ends the Commission has proposed that the greater responsibility and freedom of departmental managers should:

(a) be set within the context of the Forward Estimates procedure which will reinforce ministerial responsibility and will in itself apply firm and objective discipline;

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1. On which, see our comments in Chapter 3.6.5.
2. See the evidence of Mr J. J. Macdonell, Auditor General of Canada, in Canadian House of Commons Minutes and Proceedings of the Standing Committee on Public Accounts, Issues 45 and 46, 4.3.76 and 9.3.76, especially at pages 45:19 and 46:22–3. Mr Macdonell commented: 'I think, in fairness, there have been many recommendations that have been implemented but I think they could be summed up . . . as let the managers manage. Certainly . . . there was excessive control previously; we certainly do not recommend the return to pre-Glassco days. I think what we are suggesting is that some of the recommendations he did make perhaps have not been fully implemented, or perhaps have been overlooked to some extent.' (46:23)

(b) be developed, in respect of manpower, by delegated authority through rapid extension along the lines of the Bulk Establishment Control Scheme and the issue of firm guidelines for departmental classifications, supported by a reserve power in the Public Service Board to reclassify;
(c) be developed, in respect of financial controls, by delegation from the Treasury, after consultation about procedures, with a reserve power to withdraw the delegation;
(d) be subject to regular efficiency audit by the Auditor-General who would have authority to report to the minister concerned, to Cabinet and to Parliament.

12.2.5 The risk of inertia and other passive or active resistance to change will remain. Apart from the possible reluctance of the co-ordinating authorities to forego present authority, some heads of departments and agencies may not welcome either the greater responsibility or the greater accountability which would accompany it. The adequacy of their individual and corporate performance will, for the first time, become the subject of objective analysis and informed scrutiny by ministers and by Parliament.

12.2.6 The risk of the Commission's proposals being inhibited by such inertia and resistance can be countered effectively only if:
(a) Cabinet supports the principle of responsible and accountable management and the procedures by which those responsible can be called to account for their performance;
(b) the proposals are widely understood and discussed among the community generally and among staff at all levels;
(c) progress towards their implementation is monitored by an independent and authoritative group responsible to Cabinet.

12.2.7 Apart from inertia, the proposed procedure for Forward Estimates budgeting could be delayed and inhibited by fears about its apparent complexity and the volume of work of a somewhat novel character associated with its introduction. Furthermore, even though 'reserve' provisions have been made in the forward budgeting, there will be a reluctance among ministers and departments to accept any limitation on their freedom to submit new proposals, and a fear that their freedom may be impaired by the principle that all such proposals should be considered in the context of overall forward programming. Moreover, the procedures suggested both for the formulation of guidelines, and for the 'bargaining' phase of bringing initial bids into conformity with them, will modify the exclusiveness of the Treasury's role as policy adviser and financial controller—although, in our view, they will lend greater effectiveness to both aspects of the work of the Treasurer and his Department. The load of additional work is likely to be most feared if it seems to add to the already overwhelming burdens of the annual budget which at present fall predominantly on the Treasury. This is essentially a short-term problem linked with the change-over period. Thereafter, the Commission believes that work should be simplified. The initial phase of establishing the Forward Estimates procedure should, therefore, be separated sharply from that associated with the annual budget. Perhaps the most appropriate time to initiate the Forward Estimates process would be shortly after an annual budget had been submitted and dealt with.

12.2.8 These considerations illustrate the complexity of the task of giving effect to recommendations arising from a Report which covers so wide a field and deals with issues involving extensive organisational change. With these difficulties in mind, the Commission recognises the need to suggest a procedure designed:

(a) to obtain Cabinet approval for the principles which underlie the Commission's major proposals;

(b) to involve both ministers and officials in action to give effect to those principles, using the specific recommendations as a guiding framework;

(c) to establish at both ministerial and senior official level an authoritative group which would

(i) monitor the implementation of the reforms proposed,

(ii) ensure that ministerial decisions are sought when necessary, that legislative action required is initiated, that departmental action is taken with deliberate speed,

(iii) report progress at appropriate intervals to Cabinet.

12.2.9 The Commission will conclude its report with a summary list of all main recommendations it has made. The list is arranged under headings which refer to chapters in the Report, where the recommendations are expressed more comprehensively in the context of the considerations leading to them.

R337 12.2.10 The Commission *recommends* the following procedure for implementing its Report:

(a) that Cabinet approve in principle the main recommendations of the Report which are listed below, and direct that action be taken to give effect to the principles which underlie them, taking the Commission's recommendations (including the subsidiary recommendations in each chapter of the Report) as a guiding framework for appropriate action;

(b) that the attention of ministers and departments be drawn to this direction with a request that they proceed expeditiously to prepare, and where appropriate give effect to, specific proposals for reform. To this end departments should set up internal groups representative of staff and management to study the relevant recommendations from the Commission;

(c) that the Prime Minister nominate a committee of ministers, presided over by a member of Cabinet, to expedite these reforms and to act as a point of reference for ministers and departments in matters concerning more than one minister and department;

(d) that the Prime Minister nominate a senior official of departmental head status to act full-time as executive officer of the ministerial committee, and that this officer be supported by a small secretariat in the Department of the Prime Minister and Cabinet;

(e) that the ministerial committee and its executive officer be authorised

(i) to establish working groups or task forces (not interdepartmental committees) to help the ministerial committee in matters involving a number of ministers and departments,

(ii) to call together groups of departmental heads where joint or related action is called for.

12.3 SUMMARY OF RECOMMENDATIONS

Chapter 2: The Administration—The Basis for Reform

The Commission recommends that no official code of behaviour for Commonwealth officials be formulated but suggests:

(a) That action be taken to stimulate open discussion of ethical problems facing officials at various levels.

(b) That the Public Service Board and appropriate staff organisations provide facilities for counselling on such matters.

(c) That officials concerned by ethical problems arising in their relations with ministers have an established access to the Prime Minister through indicated statutory officers. (R1; paragraph 2.4.16)

Chapter 3: The Efficient Use of Resources

The Commission recommends that:

(a) A Forward Estimates Budgeting process be established within which ministers and their departments will negotiate for the financial and manpower resources they wish to use over the Forward Estimates period; and that these Estimates when approved by Cabinet be accepted as a basis for planning by ministers and their departments. (R2; paragraph 3.3.6)

(b) Departmental heads be and be seen to be responsible for management of government programs within limits set by Cabinet and ministerial direction including decisions involved in the Forward Estimates; and be given by delegation from the Board, Treasury and other co-ordinating agencies adequate authority for this purpose. (R3; paragraph 3.4.7)

(c) Treasury, the Public Service Board and other co-ordinating agencies organise to provide guidance and expertise on financial, organisational and personnel management practice and act as a source of stimulus and innovation rather than primarily as instruments of control. (R10, 11; paragraphs 3.7.2, 3)

(d) Action be taken to ensure that departmental decision makers at all levels have access to the information upon which their decisions should properly be based. (R12, 13; paragraphs 3.8.1, 6)

(e) (i) regular audits of efficiency in terms of financial, organisational and personnel management be carried out by
- departments themselves,
- the Auditor-General;

(ii) these audits form the basis of action to improve efficiency by heads of departments, ministers and Cabinet;

(iii) the content of audits of efficiency both those conducted within the department and by the Auditor-General be taken into account by
- those making selections for promotion,
- Cabinet, when determining salaries and placement of departmental heads;

(iv) the Auditor-General's reports on his efficiency audits to be presented to a parliamentary committee on administrative efficiency. (R4–9; paragraphs 3.6.1, 2, 15, 17, 20, 23)

Chapter 4: Ministers and the Administration

Ministerial Responsibility

The Commission recommends that:

(a) Section 25(2) of the Public Service Act be amended to incorporate direct references to the responsibility of the departmental head to the minister (provided there is recognition of the broader setting of senior officers' obligations to Cabinet), and to efficient and economical administration. (R14; paragraphs 4.2.8,9)

(b) Procedures be developed by which the Chairman of the Public Service Board, the Solicitor-General and the Auditor-General are available to discuss with a minister or official emerging sensitive issues, and the Board be responsible for gathering case studies to assist when similar issued arise. (R15; paragraph 4.2.12)

(c) Advice to the minister bring to notice differences of view within the department, not insulate him from management problems and, where he is assisting another minister, the advice should normally come from the other department. (R16, 18; paragraphs 4.2.14, 18)

The Commission suggests for consideration that:

(a) Arrangements might be made to determine the times of divisions in Parliament in advance. (R17; paragraph 4.2.17)

The Department of State

The Commission recommends that:

(a) Departments explore various methods of collective decision making, and ministers involve themselves in the application of these methods. (R19; paragraph 4.3.12)

(b) To distribute managerial responsibility more evenly throughout the system, the position of Chief Officer be revitalised by departments making, with the concurrence of the Public Service Board, appointments to such positions of officers responsible to the departmental head for day to day management of units of the department. (R20, 21; paragraphs 4.3.14, 15)

(c) As a general rule common service agencies have no control over the users of services, where possible charge for their services and where practicable compete in the provision of services with 'outside' sources. (R22; paragraph 4.3.24)

(d) There be further development of the practice of departments preparing annual reports. These should include references to developments of significance and to issues, together with financial and staffing information. Within this framework, Treasury and others should review with the Auditor-General the range of financial information available about the administration to avoid duplication and free the Auditor-General for his primary task of making critical comment. (R23–25; paragraphs 4.3.25–27)

(e) The placement of officers in policy units of departments be reviewed frequently and there be a presumption against serving in such units for long periods without service in operational or management areas. (R27; paragraph 4.3.40)

(f) Departments give attention to the basis on which non-statutory bodies are appointed and serviced. (R30; paragraph 4.3.46)

The Commission suggests for consideration:

(a) That there be experiments in the use of 'sectoral groupings' of functionally related departments. (R26; paragraphs 4.3.34–37)

(b) Where there is a special need for 'political' input, it may best be accommodated through task forces arranged through the Department of the Prime Minister and Cabinet. (R28; paragraph 4.3.41)

(c) Where there is need for substantial continuing investment in research separate from the day to day activities of a department, the bureau form could with advantage be adopted on the basis that it would, while having a close working relationship with the department, not be restricted in the choice of subjects, have a right to publish, possibly have the assistance of an advisory board and be staffed primarily on short (though renewable) terms. (R29; paragraphs 4.3.42–44)

Statutory Bodies

The Commission recommends that:

(a) The Public Service Board convene meetings of groups of statutory bodies for discussion of mutual problems. (R31; paragraph 4.4.8)

(b) The primary consideration in creating statutory bodies be whether the function requires dissociation to some extent from ministerial and departmental administration. Purpose clauses should be used in appropriate cases to clarify the scope and effect of legislation. Where there is doubt, it may be best not to establish such a body and where delineation is impossible between the department and a body, the body may best be abolished. (R32, 34–35; paragraphs 4.4.12, 22, 23)

(c) If the minister is given power of direction over a statutory body, any direction should be in writing and be tabled in the Parliament. (R33; paragraph 4.4.20)

(d) Statutory bodies be placed under obligation to report through the minister to Parliament, and to include in such report an account of any issues of concern. (R37, 38; paragraph 4.4.32)

(e) There be standing authority for the Auditor-General to conduct efficiency audits of statutory bodies and the financial affairs of such bodies should come before the Public Accounts Committee directly rather than through the report of the Auditor-General, for which amendment of the Audit Act or Public Accounts Committee Act will be necessary. (R39, 40; paragraph 4.4.33)

(f) Unless the appointment of a full time member of a statutory body is to be renewed, there should in the normal course be advertisement of the vacancy. (R41; paragraph 4.4.37)

(g) Experience with staff representation on the governing boards of statutory bodies be evaluated. (R42; paragraph 4.4.39)

(h) New legislation provide for removal of a statutory officer or member of a statutory board for misbehaviour only after inquiry by an independent body and confer a right to compensation according to declared principles,

perhaps assessable by the Remunerations Tribunal. (R43–46; paragraphs 4.4.40–42)

The Commission suggests for consideration that:

(a) Regular conferences betweeen Minister, department and statutory body heads may in some circumstances be desirable. (R36; paragraph 4.4.24)

Heads of Departments

The Commission recommends that:

(a) Departmental heads be appointed Accounting Officers to emphasise their primary responsibility for financial management, and a procedure should be expressed in legislation for the recording of dissent from ministerial action which may involve breach of or departure from law. (R47, 48; paragraph 4.5.6)

(b) As appointments to the key position of permanent head remain less regulated than to other positions, there should be an improved procedure for selection which would involve a small *ad hoc* advisory panel to assist in the selection and rotation processes, and advertisement of vacancies when circumstances allow (but with the concurrence of the Prime Minister). (R49; paragraph 4.5.9)

(c) The limitation to qualified medical practitioners of appointment to the office of Director-General of Health be removed and the legal consequences examined. (R50; paragraph 4.5.11)

(d) It be the practice to move departmental heads so that in the normal course they would not remain in the one department for more than 7 years: in the event that a minister finds it necessary to seek a change in departmental head other than as part of an ordinary progression the Prime Minister and the selection advisory committee should be involved. (R51, 52; paragraphs 4.5.17, 18)

(e) The office of permanent head be abolished and a new statutory office of head of department (normally designated 'Secretary') be created to facilitate movement within the Public Service, between the Public Service and statutory bodies and to safeguard and clarify the rights of those who lose office by virtue of abolition of departments. (R53, 55; paragraphs 4.5.20, 23)

(f) 'Permanent head' powers in future be vested in a new position of Chief Executive Officer provided under legislation: departmental heads would hold these powers ex officio and they should be conferred as appropriate on heads of statutory bodies. (R54; paragraph 4.5.22)

Ministerial Offices

The Commission recommends that:

(a) Consistent with its view that the ministerial office is capable of differing use according to ministerial requirements, but that it is essentially a small servicing group with the department providing research and advisory services, the grading of ministerial private secretaries be flexible. (R56; paragraph 4.6.5)

(b) The minister have full control over and responsibility for all members of his personal staff, including seconded officers: difficulties are best sorted out between the departmental head and the minister. (R57; paragraph 4.6.9)

Chapter 5: The Administration and Parliament

Parliamentary Scrutiny and Control of the Administration

The Commission suggests for the consideration of Parliament and the government that:

(a) The annual reports of departments and of statutory authorities be prepared with greater attention to the requirements of and essential conditions for effective parliamentary scrutiny of the activities of the administration. (R58; paragraph 5.1.9)

(b) The importance of the responsibilities of the parliamentary committee primarily concerned with review of administrative efficiency be recognised by payment to the chairman and deputy chairman of the committee of salaries comparable with ministerial salaries. (R60; paragraph 5.1.25)

(c) Where the parliamentary committee primarily concerned with administrative efficiency reports critically or adversely upon the activities of a department or agency, or in relation to matters which are peculiarly its responsibility, the department or agency should be expected to report directly to the committee on action taken or proposed to be taken in response to the committee's comments and recommendations. (R59; paragraph 5.1.14)

(d) The government prepare for the guidance of officials and for discussion a statement of the procedures it proposes should be followed when officials are requested or required to appear as witnesses before the Houses of Parliament and their committees, and at the same time, draft instructions for the guidance of these witnesses; Parliament should consider and determine these matters. (R61; paragraph 5.1.32) We have suggested:

*(i) a possible course of proceeding (R62; paragraph 5.1.34);

*(ii) that where Crown privilege is claimed, the claim or request should be supported by a clear statement of the grounds upon which the claim or request is made (R63; paragraph 5.1.35);

*(iii) that official witnesses ought not to be expected to express personal opinions on government policy, or, without ministerial consent, to divulge the nature of the advice tendered by them to ministers, but that advice in this context should be construed narrowly. (R64; paragraphs 5.1.36, 37);

(iv) generally there should be no inhibitions on the giving of evidence by officials in relation to the exercise by them of independent, statutory discretions. (R65; paragraph 5.1.38);

(v) where an official witness has reason to believe that the giving of evidence on a particular matter would be in breach of a statutory duty of confidentiality, he should be permitted to make objection and to seek legal advice. (R66; paragraph 5.1.39)

Members of Parliament and the Public Service

The Commission recommends that:

* Commissioner Munro's reservation to these recommendations is indicated in Chapter 5.

(a) Each department develop its own rules and procedures related to its individual circumstances, and approved by its minister, for responding to requests for information by members of Parliament, but in general it should provide any factual information requested. Requests that present difficulties should be referred to the minister. (R67, 68; paragraphs 5.2.3, 5)

(b) The parliamentary departments consider providing courses of instruction and publishing a 'guide' for new members of Parliament about the activities of the administration. Information provided in the Government Directory and similar publications should be more comprehensive. (R69; paragraph 5.2.7)

The Commission suggests that:

(a) When public servants appear before party committees they be accompanied by the minister or at least another public servant, and that if they believe they are being asked to exceed the bounds of propriety they communicate their concern to their departmental head. (R70, 71; paragraphs 5.2.9–11)

(b) Pre-election consultations between the Leader of the Opposition and the Chairman of the Public Service Board and Secretary of the Prime Minister's Department, and shadow ministers and the heads of relevant departments, should:

(i) take place with the Prime Minister's consent;

(ii) be confined to prospective changes in administrative arrangements;

(iii) enable the officials to tender advice;

(iv) be confidential. (R72; paragraphs 5.2.15, 16)

Chapter 6: The Administration and the Community

Community Access to Services

The Commission recommends that:

(a) Arrangements for all programs which involve direct contact between a member of the community as 'client' and a member of the administration be reviewed with the object of making the point of contact with the member of the public the point of decision also unless there are unusual considerations to be taken into account. (R73; paragraph 6.2.7)

(b) Better access by members of the public to programs designed for their benefit can be achieved by improving:

(i) training and career opportunities for public contact staff; (paragraph 6.2.11)

(ii) information available to clients; (paragraph 6.2.11)

(iii) the physical surroundings of the office; (paragraph 6.2.11)
procedures (paragraph 6.2.13–14) and methods, for example, of payment; (6.2.12)

(v) methods of dealing with complaints; (paragraph 6.2.12)

(vi) responses to correspondence; (paragraphs 6.2.17). (R74 and R76)

(c) An advisory board, with local outposts, be appointed, (to the proposed Department of Social Welfare if established) to assist departments

involved in service delivery to improve procedures at the point of contact with the public. (R75; paragraph 6.2.15)

(d) Grievance procedures available to the public be improved through:
  (i) assisting local members of Parliament in that role; (paragraph 6.2.21)
  (ii) early action to appoint an Ombudsman; (paragraph 6.2.22)
  (iii) a broader jurisdiction for the Administrative Appeals Tribunal and broader criteria of eligibility for presidential members; (paragraph 6.2.23–24)
  (iv) simplification of the procedures for obtaining judicial review, with exploration of deficiencies in administrative law by the Commonwealth Law Reform Commission and the Administrative Review Council; (paragraphs 6.2.25–26). (R77–82)

(e) Policy and administrative issues associated with greater use of voluntary agencies could be explored by the proposed Department of Social Welfare (paragraph 6.2.31). In the meantime, greater use should be made in certain circumstances of voluntary agencies (paragraph 6.2.28); and in using them there should be:
  (i) respect for the independence of the organisation;
  (ii) clear statements of purposes and terms and conditions of the grant;
  (iii) proper audit of the agency's finances;
  (iv) publication of details of grants;
  (v) periodic review of the activities of agencies receiving grants; (paragraph 6.2.30). (R83–85)

Responsiveness in the Administration

The Commission recommends that:

(a) The membership of all institutions where there is some form of 'representation' of client groups be kept under review. (R86; paragraph 6.3.14)

(b) Departments and statutory bodies appoint advisory groups with a wide range of membership, making appointments for staggered fixed terms and paying travel costs and sitting fees. (R88–89; paragraph 6.3.19)

(c) A neutral agency establish a fund to make small grants to assist associations making submissions to government if they can show hardship. (R90; paragraph 6.3.22)

(d) Statutory bodies advising on resource allocation be involved in the discipline of Forward Estimates. (R87; paragraph 6.3.15)

(e) Ministers allow officers and their departments to have discussions with members of the community on the basis that the officers would assist the group or individual, though without becoming an advocate (paragraphs 6.3.23–24); senior levels in departments should encourage the discussions, ensure clear lines of communication to the minister where necessary and the preparation of prompt replies (paragraph 6.3.25), and the Public Service Board should exercise a monitoring and mediating role (paragraph 6.3.28). (R91–93)

(f) A system of staff exchanges be developed by the Public Service Board, in

consultation with departments, with the private sector including State and local government administrations, larger firms, academic institutions and larger voluntary agencies—with the exchanges taking place at junior managerial levels for one to two years and with adequate safeguards for employees and the institutions concerned. (R94; paragraph 6.3.29)

Chapter 7: Administration Away from the Centre

The Commission recommends that:

(a) Senior management (in central and State offices), assisted by the Public Service Board:
  (i) increase the level of delegation to officers delivering services to the public and review annually those containing monetary limits;
  (ii) involve public contact officers in the formulation and review of objectives and administrative guidelines;

  and the arrangements be reviewed by the Auditor-General, by the Department of the Prime Minister and Cabinet in the course of effectiveness reviews, and by the Attorney-General's Department on forms of legislative delegation. (R95–96; paragraphs 7.2.11–13)

(b) Attention be given to union proposals relating to staff conditions when dispersal and decentralisation occur (R97; paragraph 7.2.14) and that in particular a specialised group advise on tropical housing standards. (R98; paragraph 7.2.17)

(c) To improve the operation of, and the services provided by, agencies of the Commonwealth in areas away from the centre, departments and agencies arrange:
  (i) more effective consultation between officers of different departments in a region; (paragraph 7.3.5)
  (ii) sharing of support facilities, including with local or regional agencies, in remote areas; (paragraphs 7.3.5–7)
  (iii) greater use of 'cross-delegations'; (paragraph 7.3.3)
  (iv) to make more use of the services of Australia Post on an agency basis; (paragraph 7.3.4). (R99–102)

(d) At least one Commonwealth Government Representative be appointed as an experiment, to act as a general administrative representative across the spectrum of Commonwealth activities, to develop contacts with State and local government and community groups and to act on behalf of departments not otherwise represented in the region. (R103; paragraph 7.3.11)

(e) Particular experiments towards improved regional operation should be conducted in Alice Springs, Queensland Northern (Townsville), Western Region (Melbourne), Moreton Region. (R104–105; paragraphs 7.3.12–13)

(f) A decentralisation co-ordinating unit should be established in the Department of the Prime Minister and Cabinet to encourage and monitor devolution. (R106; paragraph 7.3.15)

(g) The one stop shop (NOW) experiment in Coburg, Victoria be continued for at least two years, and be studied as a possible model for future co-

operative administration on a regional basis. (R115–116; paragraph 7.5.7)

Other Levels of Government

The Commission recommends that:

(a) There be greater use on an agreed basis of State administrative facilities, but so as to retain administrative flexibility and policy direction (paragraph 7.4.4) and to involve greater use of the provisions of Division 9 of the Public Service Act which should include statutory authority staff, with Public Service Board exercising a monitoring role. (R107–109; paragraphs 7.4.4–6)

(b) Primary responsibility for stimulating greater use of State administrative capacities be with the Department of the Prime Minister and Cabinet, which should review proposals before Cabinet where State administration might be used, appoint task forces to explore new opportunities and review programs, and arrange or co-ordinate negotiations with States. (R110; paragraph 7.4.8)

(c) In conducting negotiations with the States, fair and operable arrangements should be made for funding administrative activity and for obtaining information for evaluation purposes. (R111, paragraph 7.4.9)

(d) In appropriate cases, which should be identified, arrangements be made to recompense State authorities for the added responsibilities they carry for the Commonwealth, in order to promote accountability. (R112; paragraph 7.4.13)

(e) The Department of the Prime Minister and Cabinet be responsible for negotiations leading to the use of local government officers in carrying out federal programs. (R113; paragraph 7.4.16)

(f) The United States Inter-governmental Personnel Act, and other relevant overseas legislation, be examined with a view to enabling exchanges of personnel between levels of government, along the lines of R94. (R114; paragraph 7.4.17)

Chapter 8: Staffing the Administration—I—Efficiency and Equity

Recruitment

The Commission recommends that:

(a) The following restrictions on eligibility for permanent appointment to the Commonwealth Public Service be changed:

  (i) Nationality: no restriction except where prescribed by the Governor-General-in-Council as a qualification for a particular position; (R117–119; paragraphs 8.2.14–16)

  (ii) Health: realistic standards should be made public, monitored and subject to review; (R120; paragraph 8.2.19)

  (iii) Character and Security: determination that an applicant is not a 'fit and proper person' should be notified to the applicant and be subject to review (R121; paragraph 8.2.23). Routine security checks should only be undertaken for particular positions. (R122; paragraph 8.2.24)

(iv) Graduate Intake: abolish 10 per cent limit; (R123; paragraph 8.2.25)

(v) Ex-servicemen: remove special provisions. (R124; paragraph 8.2.26)

(b) The merit principle be stated in terms which allow the Public Service Board progressively to adapt its procedures to give effect to it (a form of words is suggested), and a committee to report on the basis and effectiveness of selection and promotion procedures be set up periodically. (R125; paragraphs 8.2.34, 37)

(c) Procedures be adopted to minimise the risks involved in interviews including thorough training of interviewers, and recording of interviews. (R126, paragraph 8.2.38)

(d) The Public Service Board should delegate more extensively to departments the power of recruitment, including lateral recruitment, and should set standards and monitor procedures. (R127–128; paragraphs 8.2.40, 44)

(e) Less weight be given to educational qualifications in selection and advancement (R130; paragraph 8.2.48); mandatory qualifications be prescribed sparingly (R131; paragraph 8.2.53); and departments be delegated the power to specify such qualifications subject to Board power to determine 'equivalent' qualifications. (R132–3; paragraph 8.2.54)

The Commission suggests for consideration that:

(a) Officers who leave the Public Service with more than three years service should have their benefit entitlements restored on return. (R129; paragraph 8.2.45)

Equal Opportunity or Equality

The Commission recommends that:

(a) The composition of the government work force be kept under continuous review to ensure that it is open to members of all social groups. (R134; paragraph 8.3.5)

(b) There be special programs of recruitment, training and career development to overcome past discrimination or lack of opportunities of women (R135; paragraph 8.3.13), Aboriginals (R136; paragraph 8.3.17) and the handicapped (R137–138; paragraphs 8.3.20–21).

(c) Legislation prohibiting discrimination in government employment be enacted, but so as to allow for approved programs to confer rights or advantages on members of a group designated as disadvantaged. (R139; paragraphs 8.3.25–28)

*(d) An Office of Equality in Employment be established within the Public Service Board to promote equality in employment, bring to notice discriminatory practices (R140; paragraph 8.3.29) and investigate complaints (R145; paragraph 8.3.36). It should be able to demand information on employment practices from all agencies (R142; paragraph 8.3.31). Its Director should have direct access to the Commissioners of the Public Service Board (R141; paragraph 8.3.30) and to heads of departments (R147; paragraph 8.3.38), and its staff have limited tenure in

* Commissioner Munro's reservation on R145 is set out in Chapter 8.3.

their positions (R144, 146; paragraphs 8.3.34, 38). Equal Opportunity Liaison officers should be established in all departments and statutory bodies (R143; paragraph 8.3.33).

Motivation, Rewards and Penalties

The Commission recommends that:

(a) The system of reclassification of positions according to the performance of the occupant be extended to all professional areas where there is scope for personal initiative. (R148; paragraph 8.4.12)

(b) To provide better career opportunities for certain occupational groups (including typists and steno-secretaries—R151; paragraphs 8.4.25–26):

  (i) the Public Service Board study the structure of work of such groups with a view to their restructuring; (R152; paragraph 8.4.27)

  (ii) the Public Service Board assemble and publicise patterns of promotion for various groups; (R153; paragraph 8.4.28)

  (iii) access to study assistance be made more open; (R154; paragraph 8.4.30)

(c) The Public Service Board assist departments in developing staff assessment schemes which involve written reports, open to staff, and available to promotion selection and appeal committees. (R156–159; paragraphs 8.4.34, 40–41)

(d) Departments and statutory bodies establish Staff Training and Development Committees to develop training programs, with the Public Service Board acting on a consultancy basis. A greater diversification of training objectives and methods is recommended (including training for counter staff, staff in remote areas, and staff performing 'bulk' functions). (R160; paragraph 8.4.56)

(e) Efficiency, defined as 'suitability for the work to be performed', be the sole criteria for promotion and appeals throughout the Service (R161, 163, 167; paragraphs 8.4.58, 61 and 77), and selection for promotion be by committee (R162; paragraph 8.9.59).

(f) The present promotions appeal system be retained, but increasing emphasis be placed on improving selection processes (R165–166; paragraph 8.4.72). Procedures to be adopted by departments and appeal committees include notification of unsuccessful applicants (R164; paragraph 8.4.71), reporting on committee activities (R168–169; paragraph 8.4.78), advertising of all vacancies (R170; paragraph 8.4.79), only limited appeal by non-applicants (R171; paragraph 8.4.80), better documentation by appellants (R172; paragraph 8.4.81), limited use of interviewing (R173; paragraph 8.4.82), and different forms of appointment of chairmen of committees (R174–175; paragraph 8.4.83).

*(g) (i) the power to annul probationary appointment be delegated to departments, within Board guidelines and subject to review and appeal; (R176; paragraph 8.4.87)

  (ii) the changes proposed in disciplinary procedures by the Board/Joint Council review be implemented; (R177; paragraph 8.4.90)

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*Commissioner Munro's view on the matters covered by R176–199 is set out in Chapter 8 and Appendix 3.M.

(iii) the power to retire officers judged to be redundant or inefficient be delegated to departmental management, subject to review and appeal; (R178–179; paragraphs 8.4.92, 93)

(iv) changes be made to procedures for voluntary and compulsory early retirement under section 85 of the Public Service Act. (R180; paragraph 8.4.104 and R184; paragraph 8.5.17)

The Commission suggests for consideration that:

(a) Discretionary increments be reintroduced. (R149; paragraph 8.4.14)

(b) A system of classification of certain positions according to occupant, within a range, be introduced. (R150; paragraph 8.4.15)

(c) A single salary schedule be established in the Service. (R155; paragraph 8.4.31)

(d) Certain specialist occupational groups be integrated. (R155; paragraph 8.4.31)

**Grievances, Rights and Duties*

The Commission recommends that:

**(a) If the need arises, the Public Service Board consider establishing an independent inquiry into a particular grievance case the Commission has studied. (R181; paragraph 8.5.7)

(b) There be changes to procedures for hearing grievances arising in departments and statutory authorities; in particular staff should be informed of their rights (R182; paragraph 8.5.13). We suggest changes in procedures relating to matters such as allegations of favouritism, decisions to compel retirement, disciplinary offences, charges against public servants by citizens. (R183–186; paragraphs 8.5.15–21)

(c) A new structure of bodies for hearing grievances be created:

(i) departments and agencies themselves should establish better internal means of reviewing complaints; (R187; paragraph 8.5.29)

(ii) the Public Service Board should continue its function of reviewing personnel decisions; (R188; paragraph 8.5.30)

(iii) a Personnel Appeals Tribunal be established to hear appeals against determinations of ineligibility for appointment, annulment of probation, compulsory retirement, or disciplinary charges; (R189; paragraph 8.5.31)

(iv) a Commonwealth Services Ombudsman be established to investigate complaints. (R190; paragraph 8.5.35) (see also summary table, paragraph 8.5.38)

(d) A statutory framework of the rights of staff be incorporated in the Public Service Act (R191; paragraph 8.5.46) covering such matters as: clearer definition of the processes for determining services for which engaged (R192; paragraph 8.5.47), tenure of employment (R193; paragraph 8.5.49), conditions of employment (R194; paragraph 8.5.51), appeal processes (R195; paragraph 8.5.52), equal opportunity (R139; para-

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* Commissioner Munro's view on the matters covered by R176–199 is set out in Chapter 8 and Appendix 3.M.

** The Chairman's reservation on R181 is set out in Chapter 8.5.

graphs 8.5.53, 8.3.25), recovery of overpayment (R196; paragraph 8.5.54) and civil and political rights (R197; paragraph 8.5.55).

(e) A framework of duties be incorporated in the Public Service Act (R199; paragraph 8.5.64), and in particular a system for registering pecuniary interests of public servants be developed. (R198; paragraph 8.5.62)

Chapter 9: Staffing the Administration—II—Structure and Management

Control of Staff Numbers

The Commission recommends that:

(a) The heads of departments be given more authority in internal staffing matters by alterations to the procedures under section 29 of the Public Service Act. (R200; paragraph 9.1.9)

(b) Staff ceilings in their present form be abandoned. (R201; paragraph 9.1.13)

The Organisation of Work and Categories of Employment

The Commission recommends that:

(a) The Public Service Board delegate its classification power under section 29 to departmental heads, while retaining a power of review, and raise with Joint Council the question of re-establishing departmental classification committees. (R202, 203; paragraphs 9.2.3, 5)

(b) Duty Statements be replaced by Individual Work Plans which could be used to stimulate staff development and improved management techniques. (R204; paragraph 9.2.17)

(c) The system of divisions be replaced by a system of categories and occupational groups, which could be developed and modified by the Board and departments and not set down in the Act. (R205; paragraph 9.2.23)

(d) Reviews to restructure work where there is overlap between professional and technical grades should continue and there should be review of the overlap between clerical and clerical assistant areas. Such review teams should include staff representatives, and staff associations should have free access to their findings. (R206–208; paragraphs 9.2.27, 30, 31)

(e) The distinction between officers and temporary employees should be replaced by categories of workers distinguished according to the length of time for which they are engaged. This should apply equally to part-time workers. Unnecessary differentiation in terms and conditions of employment between different categories should gradually be eliminated and suitable machinery to achieve this should be developed. (R209–212; paragraphs 9.3.5, 7, 9, 11)

Towards a Unified Service

The Commission recommends that:

(a) The whole of Commonwealth government employment should be regarded as a 'loose entity' and brought under one Act, with a few exceptions. (R213; paragraph 2.4.6)

(b) Statutory bodies, including marketing authorities, generally be staffed under the Act, except where other arrangements are approved by legislation or negotiation. (R214, 215; paragraphs 9.4.14, 18)

(c) Ministers should not have the power to determine terms and conditions of employment for statutory authorities. Jurisdiction should pass to the Public Service Board, with the Remunerations Tribunal approving salaries at higher levels. (R216, 217, 218; paragraphs 9.4.19–21)

The Commission suggests for consideration that:

(a) A minister, in appointing more senior ministerial staff, be advised by a committee approved by the Prime Minister. All positions in ministerial offices should be considered special areas of employment and be subject to special arrangements. (R219, 220; paragraphs 9.4.22, 24)

(b) There be separate legislation to deal with the staffing of parliamentary departments. (R221; paragraph 9.4.33)

The Commission recommends that:

(a) The proposal in Appendix 3.G to its Report for a reorganisation of the administrative arrangements for the courts be referred to the judiciary and to the Attorney-General's department. (R222; paragraph 9.4.42)

(b) There be a closer integration of the role of Foreign Affairs with other departments. As a part of this move the Trade Commission Act should be repealed and there should be a system of rotation for Foreign Affairs Staff with other departments and between diplomatic and other staff within the department. Recruitment, promotion and transfer should also be on a service-side basis. (R223–227; paragraphs 9.4.45, 47–49)

(c) An Overseas Service Advisory Council be set up. (R228; paragraph 9.4.53)

(d) New principles for the determination of overseas allowances be established. (R229; paragraph 9.4.54)

(e) There should be improvements in the conditions of employment applying to locally engaged staff. (R230–232; paragraphs 9.4.55–56)

(f) New missions or posts be established only where there is a clear need and the need for all posts be regularly reviewed. The structure of posts should reflect their functions and they should not necessarily be headed by a Foreign Affairs officer. To ensure the continuing efficiency of posts the post liaison system should be maintained and there should be revised inspection arrangements. (R233–236; paragraphs 9.4.58–61)

(g) Other recommendations in the Sharp Report be pursued by the Public Service Board and the Department of Foreign Affairs. (R237; paragraph 9.4.65)

Managers in the Administration

The Commission recommends that:

(a) The second division should be replaced by a 'Senior Executive Category' with special provisions for appointment to it and with a high degree of mobility. (R238–240; paragraphs 9.5.4, 6, 9)

(b) Management services units should provide efficient information management, a variety of consultancy and organisational management services and expertise in industrial relations and personnel administration. The Public Service Board should provide a central focus for specialist skills and consultancy expertise, assist in long range planning and developing

guidelines for maintaining efficiency, effectiveness and morale. (R241, 242; paragraphs 9.5.14, 15)

(c) Officers employed in management services areas should be periodically moved out on rotation. (R243; paragraph 9.5.16)

Industrial Relations

The Commission recommends that:

(a) The Public Service Arbitrator's jurisdiction be abolished and that apart from the defence forces and those covered by the Remuneration Tribunal, the whole of Commonwealth employment be placed under the Australian Conciliation and Arbitration Commission. The Public Service Board, ministers and statutory authorities have the same rights as all registered organisations to appear, to intervene and to initiate proceedings before the Arbitration Commission. The government's power of disallowance of determinations and awards at present contained in section 22 of the Public Service Arbitration Act should be removed. (R244–246, 254, 255; paragraphs 9.6.9, 13, 15, 40)

(b) The Board be recognised as the 'employer' of those employed under the Public Service Act and those employed under other Acts all or some of whose terms and conditions are determined and approved by the Board. Subject to the overriding power of the Arbitration Commission and except on matters upon which it is specifically excluded (for example furlough, superannuation, compensation, etc.), the Board be given the necessary power to make determinations on terms and conditions of employment. The Board and other primary wage fixing authorities should continue to determine rates of pay and conditions of work on the basis of fair comparisons with the private or State sectors. (R247, 249; paragraphs 9.6.17, 18)

(c) Section 66 of the Public Service Act, which renders it illegal for public servants to take industrial action and renders them liable to summary dismissal, should be repealed. (R252; paragraph 9.6.20)

(d) To promote co-ordination between the primary wage fixing authorities, pending the implementation of the Commission's recommendation in respect of staffing of statutory bodies, the present arrangements for co-ordination be continued subject to a number of modifications. The Department of Employment and Industrial Relations and the Board should establish a joint committee to develop a code of standards on amenities and physical working conditions for Commonwealth employment. Favourable consideration be given to encourage, on an experimental basis, greater flexibility in 'flextime' schemes. (R256, 257, 259; paragraphs 9.6.52, 53, 71)

(e) The number of awards covering Commonwealth employees should be reduced as far as possible by consolidation of the claims of different unions but settlements should not be held up because of failure to agree by unions covering a minority of employees. In the interest of more efficient administration of industrial relations, the required membership for registration as an organisation under the Conciliation and Arbitration Act should be raised to 1000, and other actions should be taken to encourage

the reduction of the number of unions covering Commonwealth employees. (R250, 251, 258; paragraphs 9.6.19, 68)

(f) The jurisdiction of Joint Council should be expanded to include statutory authorities, and a secretariat should be established to work under the direction of the Council. There should be statutory provision for the creation of consultative councils within departments and authorities. Although there are still a number of unresolved questions, as a general proposition, a staff representative should be included in any collegiate management of departments and statutory authorities. (R260–263; paragraphs 9.6.75, 77, 82, 86)

(g) Before changes are made to give effect to any of the above recommendations, the draft legislation should be discussed by the peak councils of the unions, the Board and the Department of Employment and Industrial Relations. (R253; paragraph 9.6.32)

Chapter 10: Special Problems of Administration

Economic Policy

The Commission recommends that:

(a) There be a department, which might be named the Department of Industries and the Economy, to act as the main source of advice on the medium and long term aspects of the industrial structure of the economy, and to co-ordinate the activities of the departments concerned with the various sectors of industry. (R264, 265; paragraphs 10.1.13, 14)

(b) The Treasury brief economists in other departments regularly on the state of the economy: such briefings should disclose all relevant information, including quarterly national income forecasts, on which the state of the economy is analysed. (R266, 267; paragraph 10.1.17)

(c) The Governor of the Reserve Bank have direct access to the Prime Minister and the Treasurer as he considers necessary, and to the Economic Committee of Cabinet on a regular basis. (R268, 269; paragraph 10.1.19)

(d) The Australian Bureau of Statistics be placed with a more 'neutral' department such as the present Department of Administrative Services, and a research unit under the charge of a Research Director be re-established within the Australian Bureau of Statistics and entrusted with the task of publishing regularly national income projections, and annual pre-Budget reports on the economy and other economic studies. (R270, 272, 273; paragraphs 10.1.23, 30, 31)

(e) As a rule, each statutory authority in the economic policy area be given explicit objectives to guide its activities, and, if possible, placed within the portfolio of one minister. (R274, 275; paragraphs 10.1.36, 37)

(f) To ensure greater coherence in the work of responsible departments in the international field, a task force prepare a Green Paper on Australia and international economic issues to be followed by a White Paper as a guide to departments and to interests in the private sector. (R276; paragraph 10.1.39)

The Commission suggests for consideration that:

(a) To raise the level of public debate, an Economic Advisory Council could be appointed in due course, constituted of three distinguished economic

experts and assisted by a secretariat and a consultative board to report regularly on the state of the economy and make critical *ex post* evaluations of economic measures taken by the government. Alternatively, if such a course is felt to be impracticable for the time being, a single senior Economic Counsellor should be appointed who would be free to draw on information and views available to him from various sources for the purpose of reporting publicly on the economy. The consultative board could be linked with the Bureau of Statistics' Research Directorate. (R271; paragraphs 10.1.28, 29, 32, 33)

Science in Government

The Commission recommends that:

(a) The Australian Science and Technology Council (ASTEC), or a similarly broadly-based body, advise the Prime Minister and a Ministerial Committee on Science Policy. (R277; paragraph 10.2.30)

(b) A Council of Government Science Establishments (COGSE) be set up to supplement, including through specialised study groups, other sources of advice on organisational problems and on proposals relating to special terms and conditions for those engaged in science-based work in government. (R278, 282; paragraphs 10.2.36, 38, 48, 55)

(c) ASTEC, COGSE and CSIRO be responsible to the Prime Minister, or to a minister nominated by him, acting in a trustee capacity for the Ministerial Committee on Science Policy. (R281; paragraph 10.2.51)

(d) Specific purpose science establishments be associated with the minister and department with related functional responsibilities. (R280; paragraph 10.2.50)

(e) The Bureau of Meteorology and the Analytical Laboratories be operated under statutes which give their managers reasonable day-to-day autonomy in relation to staff and the use of financial resources within clear budgetary limits. (R279; paragraph 10.2.47)

(f) All government science establishments be accountable for the use of resources and from time to time specially constituted groups report on the relevance and efficiency of their work. (R284; paragraph 10.2.60)

(g) Action be taken to improve communication between government scientists and other scientists, users of science and officials, and Science Liaison Officers be appointed to promote such communication. (R283; paragraph 10.2.57)

Health and Social Welfare

The Commission recommends that:

(a) There be a senior Minister for Social Welfare whose functions should include:

  (i) the achievement of a simplified administrative structure for government policy in this field;

  (ii) the co-ordination of health and welfare policies and programs;

  (iii) the achievement of efficiency and economy in the conduct of such programs;

  (iv) the evaluation of existing welfare programs;

(v) the conduct, support and co-ordination of related research.

(b) The Minister for Social Welfare preside over a ministerial committee comprising Ministers for Health, Social Security, Repatriation and Aboriginal Affairs and for some purposes the Minister for Environment, Housing and Community Development.

(c) The Minister for Social Welfare be supported by

(i) a small department to provide administrative support for him and the committee of ministers;

(ii) a consultative council of relevant heads of departments and agencies and outside experts;

(iii) a Bureau of Social Policy. (R285; paragraph 10.3.23)

Forming and Executing Foreign Policy

The Commission recommends that:

(a) The Department of Foreign Affairs arrange for the specialised briefing of officers of all Commonwealth agencies who are involved in complex international negotiations. (R286; paragraph 10.4.7)

(b) All Commonwealth agencies should review their procedures for the exchange of information and for consultation with the Department of Foreign Affairs, monitored by the Public Service Board. (R287; paragraph 10.4.15)

(c) The Department of Foreign Affairs should establish task forces, study groups and interdepartmental committees (as appropriate) to review particular aspects of policy in relation to particular countries or groups of countries. (R288; paragraph 10.4.18)

The Administration of Aboriginal Affairs

The Commission recommends that:

(a) The National Aboriginal Consultative Committee (NACC) be retained as a national forum for Aboriginals and the government and Department act to strengthen it. (R289; paragraph 10.5.10)

(b) The NACC be encouraged to ensure that its membership is predominantly derived from and backed by Aboriginal Councils and other incorporated societies. (R290, paragraphs 10.5.10, 11)

(c) The Department of Aboriginal Affairs and Institute of Aboriginal Studies collaborate with NACC to provide training and administrative experience for its members and staff. (R291; paragraph 10.5.12)

(d) To strengthen Aboriginal influence on policy and administration the Minister for Aboriginal Affairs establish a Ministerial Council to advise him and his Department. (R293; paragraph 10.5.20)

(e) The policy of entrusting responsibility for local and community tasks in Aboriginal Affairs to Aboriginal institutions be continued and strengthened. (R294, 295; paragraph 10.5.25)

(f) The government explore the possibility of 'one stop shop' agencies for different levels of government and voluntary agency action in administering Aboriginal programs. (R292; paragraph 10.5.18)

(g) That the Departments of Aboriginal Affairs and Prime Minister and

Cabinet be responsible for periodical assessment of programs and the Department of Aboriginal Affairs and the Institute of Aboriginal Studies collaborate in research into possible indicators of social welfare. (R296, 297; paragraphs 10.5.28, 29)

Women

The Commission recommends that:

(a) The Women's Affairs Branch in the Department of the Prime Minister and Cabinet be maintained and strengthened. (R298; paragraph 10.6.8)

(b) Women's Policy Units be developed on an experimental basis in departments whose work has significant implications for women (including the Department of Social Welfare), and their performance be assessed after a period of 3 years. (R299; paragraph 10.6.11)

(c) The Bureau of Social Policy in the proposed Department of Social Welfare initiate special studies relating to women. (R300; paragraph 10.6.12)

Information

The Commission recommends that:

(a) Registries be more effectively integrated into the managerial and administrative structure of departments and agencies, techniques of group work organisation be introduced, and better training facilities be provided for registry staff and users. (R301; paragraph 10.7.11)

(b) A unit be established in the Public Service Board, staffed largely by rotation, to service the interdepartmental committee on ADP and provide a source of advice on and review of standards in ADP throughout the Service. (R302; paragraphs 10.7.13–15)

(c) The recommendations of the Committee on Integration of Data Systems be pursued and an advisory council to the Statistician be appointed, as provided for in the Australian Statistics Act, with consumer representation. (R303; paragraph 10.7.18)

(d) Departments might employ only one or two information officers, to facilitate contact with the media. (R304; paragraph 10.7.25)

(e) There be a review of departmental information programs, the qualifications of information staff and the levels at which release of non-political information can be authorised. There should also be systematic evaluation of the relevance, effectiveness and objectivity of information programs. (R305; paragraph 10.7.26)

(f) The Parliamentary Library Research Staff confer with departments to explore means by which departmental material can be made more timely and relevant. (R306; paragraph 10.2.27)

*(g) There be positive steps to improve the flow of information to the community, for example by wider, better publicised distribution, more diverse forms, use of Green Papers, consultation on draft legislation, better information about the structure, functions and procedures of government organisations, tailoring information to the needs of the users. (R307; paragraph 10.7.30)

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* Commissioner Munro's views on community access to information held by the administration are set out at Chapter 10.7.22 and Appendix 2. A.

The Commission suggests for consideration:

The establishment of a Commonwealth Information Advisory Council to give attention to the development of a comprehensive information policy, review information made available and the problems of users, and to recommend priorities for proposed developments. If established the Council should be assisted by the Public Service Board and serviced by a secretariat in the Department of Administrative Services. (R308; paragraphs 10.7.31, 32)

Chapter 11: Co-ordination and Control

Forward Estimates and the Budget

The Commission recommends a new system of Forward Estimates, with the following essential features:

(i) the formulation of policy guidelines for the preparation of such estimates for ministers and departments by the Economic Committee of Cabinet assisted by a working group of officials establishing
- the maximum proportion of gross domestic product and numbers of the work force to be used,
- the general objectives and priorities of the government; (11.2.2–7)

(ii) the guidelines to form the basis of three year financial and manpower estimates by ministers and departments; (11.2.8–10)

(iii) the resulting estimates to be considered by a sub-committee of the Economic Committee of Cabinet, assisted by a working group of officials, and receiving comments from Treasury, Public Service Board and the new Department of Industries and the Economy (11.2.11–12); initial bargaining could take place by departments grouped according to function; (11.2.13)

(iv) the report of the sub-committee to go to the Economic Committee and to full Cabinet for endorsement and the agreed estimates to become the basis for department and statutory body planning; (11.2.14)

(v) the Forward Estimates to be reviewed annually, in association with the preparation of the annual budget to take account of economic fluctuations and other short term considerations (11.2.15–17)

(R310; paragraph 11.2.2 ff; see also diagram at paragraph 11.2.19)

The Treasury and Financial Co-ordination

The Commission recommends that:

(i) Treasury involve ministers and departments more effectively in developing methods of financial control especially through the forward estimates process; (11.3.21 (a)-(b))

(ii) in the development of Forward Estimates the Treasury division of Financial and Economic policy be primarily concerned with formulating the guidelines and the Supply divisions with analysing departmental assessments, in consultation with departments; (11.3.21(c)-(d))

(iii) there be greater mobility between Treasury and functional departments; (11.3.21(e))

(iv) Treasury progressively devolve detailed financial control to departmental heads through more extensive delegation, thus becoming primarily a source of guidance and expertise; (11.3.21 (f)–(h))

(v) Treasury propose to the relevant parliamentary committee a simplified structure for appropriations backed by full supporting estimates and other data so as to combine effective parliamentary control with administrative flexibility; (11.3.21(i)-(j))

(vi) the independence from Treasury of the Bureau of Statistics and the Auditor-General be more clearly demonstrated; (11.3.21(k))

(R311; paragraph 11.3.21)

The Auditor-General and Efficiency Audits

The Commission recommends that:

(a) The Auditor-General audit the financial and organisational efficiency of all agencies which he currently audits in respect of financial regularity. (R312; paragraph 11.4.5)

(b) These agencies prepare internal assessments of efficiency on agreed bases for the minister and the Auditor-General. (R313; paragraph 11.4.7)

(c) The proposed parliamentary committee on administrative efficiency (R8; paragraph 3.6.20) be advised on professional matters by the Auditor-General. (R314; paragraph 11.4.8)

(d) The Auditor-General be appointed by the Governor-General-in-Council on the advice of a selection committee whose composition is agreed by the government and the chairman and deputy chairman of the relevant parliamentary committee. (R315; paragraph 11.4.8)

(e) The Auditor-General be able to recruit specialist staff outside the Public Service Act. (R316; paragraph 11.4.10)

(f) An appropriate statutory basis for the efficiency audit role of the Auditor-General be developed. (R317; paragraph 11.4.11)

(g) A committee chaired by the Auditor-General and comprising representatives of the heads of Treasury; Public Service Board, Prime Minister and Cabinet and Administrative Services assist the Auditor-General to develop this role. (R318; 11.4.13)

The Department of the Prime Minister and Cabinet and Policy Co-ordination

The Commission recommends:

(a) That the policy divisions of the Department work as secretariats within the Cabinet Office to service Cabinet and its committees and that the secretariats be staffed by a mix of officers on normal posting and on rotation. (R319; paragraph 11.5.12; see also paragraph 11.5.9)

(b) That a small policy unit be developed within the Department to arrange the handling of assignments involving policy development or modification where existing departmental machinery is inadequate, and to assist in the formulation and evaluation of programs against the government's objectives: the unit would be small, be headed by an officer at or near departmental head status, and its primary operating mode would be the task force. (R320; paragraphs 11.5.14–21)

(c) Before an interdepartmental committee is established, the alternatives of requiring the department primarily concerned to discharge the function in consultation with others, or of appointing a task force should be considered. (R321, paragraph 11.5.25)

(d) When a task force or IDC is established by the Cabinet or ministers:
  (i) a register should be kept;
  (ii) the purpose, date for report and membership should be clearly defined;
  (iii) ministers should have a right to nominate a consultant to sit with it;
  (iv) progress should be reported periodically to Cabinet.
  (R322; paragraph 11.5.26)

(e) While the Commission does not advocate establishment of a separate 'Machinery of Government Unit',
  (i) the Public Service Board should maintain and make the subject of recommendations a continuing assessment of changes in administrative arrangements required on grounds of efficiency, and be responsible for preparing advice on senior appointments,
  (ii) the Department be responsible for advising on general machinery of government matters, drawing on the resources of the Board and relevant departments. (R323; paragraph 11.5.33)

The Commission suggests for consideration that:

Should the Prime Minister wish at any time to have assistance with administrative matters, the alternatives to be considered are either the appointment of a 'minister assisting' along traditional lines or the appointment of a minister, possibly designated Special Minister of State, to discharge this function along with the duties of another portfolio. (R324; paragraph 11.5.33)

The Public Service Board

The Commission recommends that:

(a) In accordance with the new role it envisages for the Board in Forward Estimates and the control of establishments:
  (i) it conduct regular checks to satisfy itself that its standards and guidelines are being observed and retain the right to reclassify any position if judged necessary; (R325; paragraph 11.6.17)
  (ii) section 29 of the Public Service Act be repealed at an appropriate time. (R326; paragraph 11.6.18)

(b) To assist it in the discharge of its role in promoting efficiency the Board:
  (i) have a small but competent group to provide specialised management consultancy services on a full time and expert basis; (R327; paragraph 11.6.20)
  (ii) continue to provide advice to the Prime Minister on broader questions involved in the organisation of the work of government generally. (R328; paragraph 11.6.22)

(c) To improve the processes for making higher appointments, the Chairman of the Board contact heads of departments and agencies to obtain details of foreseeable vacancies and reports on the potential of senior officers (with officers having the right to review and comment on the reports). (R329; paragraph 11.6.24)

(d) The Board, in consultation with departments and statutory and other agencies, develop a broadly based scheme of staff rotation (R330; paragraph 11.6.34); and where necessary it use the power of direction

currently contained in section 51 of the Public Service Act. (R331; paragraph 11.6.37)

(e) The annual report of the Board to the Parliament should be a comprehensive source of information about Commonwealth employment, using a standard statistical base. (R332; paragraph 11.6.39)

*(f) The Board, under the Prime Minister, be responsible for administering all legislation prescribing conditions of employment applying generally to Commonwealth employees, including the Compensation (Australian Government Employees) Act and the Superannuation Act. (R333; paragraph 11.6.42)

(g) A charter be given to the Board (preferably retitled Commonwealth Personnel Commission, to reflect its wider sphere of influence and role):

(i) as central personnel authority;

(ii) in promoting efficient operation of all departments and agencies;

(iii) in encouraging effective use of the human resources in Commonwealth employment;

(iv) in conducting or supervising experiments in management and organisation;

(v) in ensuring there is no discrimination in Commonwealth employment unrelated to the needs of the task involved, and that special measures are taken to secure adequate advancement of members of disadvantaged groups. (R334; paragraph 11.6.46)

Chapter 12: Achieving Change

The Commission recommends that:

(a) In a few years' time, an independent body be appointed to study the effectiveness of the present structural arrangements in the area of Defence administration, and their relevance to other fields of government. (R335; paragraph 12.1.3)

(b) The Royal Commissions Act be examined with a view to its repeal and replacement by a new Act on public inquiries generally. (R336; paragraph 12.1.10)

Implementation

The Commission recommends the acceptance in principle of its Report and proposes a plan of implementation. (R337; paragraph 12.2.10)

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* Commissioner Bailey's reservation on recommendation 333 and paragraph 11.6.28 is set out in Chapter 11.6.

Attachments

Submissions
Hearings
Witnesses
Staff
Consultants
Task Forces, Advisory Bodies and other Working Groups
Contents of Appendix Volumes
Note on the Collected Papers of the Royal Commission
Previously Published Material

SUBMISSIONS TO THE COMMISSION

The Commission received submissions from the following:

Abbott, J.
Abbott, P. D.
Ablong, A. P.
Aboriginal Affairs, Department of
Aboriginal Affairs, Department of, Staff Group
Adams, J. S. (and 8 others)
Administrative and Clerical Officers' Association
ADP Management Computer Society
Aeronautical Research Laboratories
Agriculture, Department of
Airports Branch, NSW Region, Air Transport Group
Albury City Council
Albury-Wodonga Development Area. Committee of Victorian Municipalities
Albury-Wodonga Development Corporation
Alexander, C. R.
Alexander, P. D.
Alford, J. D.
Alice Springs Citizens Association
Allison, J. R. C.
Alm, M.
Anderson, D. R.
Anderson, L. L.
Anthony, J. D.
Appleby, G.
Appleby, J. P.
Arbitration Inspectors Association
Argall, D. & Enfield, J.
Ashton, C.
Associated Chambers of Manufacturers of Australia
Association of Architects, Engineers, Surveyors and Draftsmen of Australia
Association of Architects, Engineers, Surveyors and Draftsmen of Australia (Penfield Branch, SA)
Association of Architects, Engineers, Surveyors and Draftsmen of Australia (WA Division)
Association of Consulting Engineers
Association of Professional Engineers, ACT Branch
Association of Professional Engineers of Australia
Association of Professional Engineers of Australia (NCDC Group)
Attorney-General's Department
Attridge, J. D.
Auditor-General
Australia Party, Victorian Branch
Australian Archives
Australian Atomic Energy Commission
Australian Broadcasting Commission
Australian Broadcasting Commission, Senior Officers Association
Australian Broadcasting Commission Staff Association
Australian Broadcasting Control Board
Australian Bureau of Statistics
Australian Capital Territory, Department of
Australian Chamber of Commerce
Australian Computer Society, Canberra Branch, ADP Management
Australian Council of Trade Unions
Australian Country Party
Australian Country Party (NSW Division)
Australian Development Assistance Agency
Australian Federation of Construction Contractors
Australian Federation of Credit Union Leagues Ltd
Australian Government Analytical Laboratories
Australian Government Analytical Laboratories Staff Group
Australian Institute of Building
Australian Institute of Cartographers, Canberra
Australian Institute of Management
Australian Journalists Association
Australian Local Government Women's Association, SA Branch
Australian Postal & Telecommunications Union
Australian Public Service Association (Fourth Division Officers)
Australian Public Service Association (Fourth Division Officers) Parliament House Sectional Committee
Australian Public Service Federation
Australian Retailers Association, Sydney
Australian Services Council
Australian Society of Accountants
Australian Survey Office
Australian Taxation Office
Australian Vice Chancellor's Committee
Australian Women's Army Service Association (NSW)

Baig, E. N.
Bain, A.
Bain, C.
Baines, D. J.
Baker, L. J.
Baker, R. J.
Baker, W.
Balhorn, S.
Balmer, P. E.
Bates, R.
Baxter, D.
Baxter, J. R.
Bayley, B. T.
Becker, P. B.
Beckwith, R. D.
Belconnen Community Service
Bellgard, E. J. H.
Benn, R. W.
Bensley, D.
Bergersen, F. R.
Berghouse, J. R.
Berrill, H. T.
Bevan, J. & Lee, P.
Black, R. J.
Boekenstein, P. A. & Nancarrow, M. E.
Bott, L. F. (see Tourism & Recreation)
Bowden, P.
Brady, L. J. & Williams, A. C.
Brander, L.
Brennan, J.
Brigg, J. S.
Briggs, J. & Santa-Isobel, J.
Briot, G. T. & Lloyd, C. J.
Britten, J. W.
Brock, C.
Bromley, S. J.
Brooks, R. L.
Brown, G. A.
Brown, J. P.
Bryce, M. F.
Buchannan, D. M.
Buckland, D. R.
Bull, D. J.
Bullard, C.
Bullock, G. E. & Duggleby, J. C.
Bunn, D.
Bureau of Agricultural Economics
Bureau of Meteorology
Bureau of Meteorology, Perth
Bureau of Mineral Resources, Geology and Geophysics
Bureau of Mineral Resources, Geoscientists
Bureau of Mineral Resources, Marine Geophysics Group
Bureau of Mineral Resources, Palaeontology Group
Bureau of Mineral Resources, Professional Officers Association
Bureau of Mineral Resources, Technical Staff
Burke, B. J.
Burt, M. T.
Byrnes, R. H.

Cahill, J. F.
Calder, R. R.
Callcott, B.
Cameron, G. I.
Campaign Against Moral Persecution, NSW Branch
Campbell, D. S.
Campbell, J. R.
Canberra Anti-Poverty League
Canberra College of Advanced Education
Canberra Consumers Inc.
Cardiff, F.
Carlin, L.
Carman, E.
Carolan, S.
Carlton, R., McFarlane, I. & Smith, B.
Carmody, A. T. (see Customs)
Carter, F. J.
Carter, M. K.
Cartland, Sir George
Caulfield Institute of Technology
Cavanagh, K. G.
Central Australia Aboriginal Legal Aid Services
Central Industrial Secretariat
Centre for Continuing Education
Challans, B. W.
Challinor, J. G.
Chegwidden, L. G.
Cheney, W. J.
Chivers, B. M.
Cho, K. Y.
Church of England in Australia, Diocese of Adelaide
Church of England in Australia, General Synod
Cities Commission
Civil Air Operation Officer's Association of Australia
Clark, G.
Clark, G. W.
Clement, A. S.
Clements, S. J.
Clewley, H.
Cloutt, T. A.

Collins, J.
Collis, D. C.
Commonwealth Bank Officers' Association
Commonwealth Banking Corporation
Commonwealth Employment Service
Commonwealth Medical Officers Association, Sydney
Commonwealth Professional Surveyors Association
Commonwealth Scientific and Industrial Research Organisation
Commonwealth Scientific and Industrial Research Organisation Officers Association
Commonwealth Scientific and Industrial Research Organisation Division of Tropical Agronomy
Commonwealth Scientific and Industrial Research Organisation Technical Association
Con, E.
Connell, C.
Connell, R. A. J.
Connelly, D. M.
Conway, K. J.
Cook, E. C.
Cook, G. J.
Cooke, C. D.
Cooley, Sir Alan (see Public Service Board)
Coombs, I. C.
Corbin, L. V.
Corolan, S.
Corless, E. W.
Council of Commonwealth Public Service Organisations
Council of Professional Associations
Council of Social Service in NSW
Council of Social Service, SA
Council of Social Service, Tas
Council of Social Service of WA Inc
Coveney, C. A.
Cox, J.
Craddock, F. A.
Crawford, A. R.
Crawford, L.
Cribb, F.
Crompton, J. W. et al.
Cronin, M. S.
Cruikshanks, G. J.
Currie, N. S. (see Manufacturing Industry)
Curtis, J. G.
Customs & Excise, Department of
Cutler, G. I.
Daddow, M. J.
Daniels, L. J. (see Social Security)
Darroch, V. M.
Davenport, J. B.
Davies, A. E.
Davis, E. H.
Deegan, J. L.
Defence, Department of
Defence, Department of, EDP Division
Defence Science and Technology Organisation
Deiden, E. P.
Dexter, B. G. (see Aboriginal Affairs)
Dickens, J. M.
Diplomatic Courier Service
Ditchburn, J.
Dobie, A.
Dodson, L. F.
Doherty, J. G.
Dolling, M. J.
Donnelly, J. B.
Doolan, M. T.
Doube, K.
Doutch, H. F.
Drabble, J. S.
Drabble, M. J.
Drake, L.
Drake Overload, Sydney
Duggleby, J. C. & Bullock, G. E.
Duke, C. & Sommerlad, E.
Duncan, I. & Jarvis, R.
Dunkle, R. V. & Kovarik, M.
Dunn, M.
Dyer, E. M.
Dyrenforth, E. B.

Eddy, D. R.
Edgerley, M. W.
Edmondson, R.
Education, Department of
Edwards, A. B.
Edwards, Marjorie L.
Eichler, N. C.
Ellis, K.
Ellis, R. K. (and 41 others)
Emery, C. W.
Emery, P. J.
Enfield, J. & Argall, D.
Engledow, L. W. B. (see Capital Territory)
Ennor, Sir Hugh (see Science)
Environment & Conservation, Department of
Ermacora, H. R.
Executive Development Centre
Evans, E.

Evans, F.
Ewers, T. C.

Face, J.
Farley, J. B.
Farquhar, A.
Farran, A.
Farrands, J. L.
Federated Clerks Union of Australia
Federated Clerks Union, Taxation Officers Branch
Federated Miscellaneous Workers Union
Federation of Australian University Staff Associations
Fenwick, D. C.
Ferguson, J.
Fielden, A.
Film Australia
Finch, L.
Fisher, H. F.
Fisher, W. R.
Ford, P. M.
Foreign Affairs Association
Foreign Affairs, Department of
Foster, T. R. J.
Fox, P. A.
Francis, N. G.
Frantz, Anna & Augustus
Fraser, C.
Freeman, J.

Gallagher, R.
Gallasch, J. W.
Gallin, J. G.
Gardner, M.
Garlick, L.
Garvey, E. J.
Gawan-Taylor, M.
Geddes, M.
Geoffrey, J. F.
Gibbs, E. H.
Gibbs, W. J.
Giecke, M. C.
Gillespie, H.
Gillespie, P.
Gleeson, L. T.
Good Neighbour Council of NSW
Good Neighbour Council of SA Inc
Good Neighbour Council of Tas
Good Neighbour Council of Vic
Good Neighbour Council of WA
Graham, J.
Grant, J. M.
Grant, T. & Kain, J.
Grassby, A. J.
Gration, P. M.
Green, Allen
Green, C. W.
Green, R. C.
Greenham, C.
Grogan, A. W.
Gunn, P. M.

Hack, R. J. B.
Haffner, E.
Hall, M.
Halton, C. C. (see Transport)
Hambley, J. R.
Hamilton, A.
Hammett, J.
Hand, F. C.
Hannah, A.
Hanrahan, B. P.
Harders, C. W. (see Attorney General's)
Harding, W. J.
Hare, W. T.
Hargreaves, G.
Harris, N.
Harrison, D. H.
Harrison, M. J. et al.
Hart, D. J.
Hart, H.
Harvey, M. E.
Hayes, J. M.
Hayes, S. J.
Haynes, C. D.
Health, Department of
Hearing Aid Council of Australia
Hearn, C. G.
Helmer, R. B.
Henderson, B.
Henderson, W.
Henshall, J.
Herriott, J. M.
Herron, L. D.
Hewitt, Sir Lenox (see Minerals and Energy)
Hey, P. C.
Hill, A. E. O.
Hill, C. J.
Hinchcliffe, M.
Hipsley, E. H.
Hocking, J. W.
Hoey, K.
Hogan, K. B.
Hoins, L. F.
Hooper, P. T.
Horner, R.
Hospitals and Health Services Commission (see Health)

Housing & Construction, Department of
Howells, G. (see Health)
Hudson, M.
Hunt, J. A.
Hunter, W. F.
Hunter River Region Coalition of Resident Action Groups
Huston, J. J.
Hyslop, R.
Hy-Tone Cleaning Company

Ihlein, G.
Iles, L.
Illù, P. F.
Industries Assistance Commission
Inglis, K. I.
Institute of Affiliate Accountants
Institute of Internal Auditors
Institution of Engineers, Australia
Inter-Church Trade and Industry Mission
Internal Audit Group (nine signatures)
Interplan Pty Ltd
Ireland, F.
Irons, D.
Ives, W. (see Agriculture)

Jackson, E. R.
Jagerhofer, J.
Janzow, I.
Jarvis, R. & Duncan, I.
Jegorow, W.
Jennings, V. E.
Joachim, D.
Johnson, H. M.
Johnston, P. W.
Johnstone, P. J.
Jones, E.
Jones, H. E.
Jones, K. N. (see Education)
Jones, R. M. & D. M.
Juddery, B.

Kain, J. & Grant, T.
Keane, R. J.
Kearney, J.
Keeble, I. S.
Kemsley, D. S.
Kennedy, W. D.
Kenny, R. T.
Kimberley Research Station Staff Group
King, A.
Kingsland, R. (see Repatriation and Compensation)
Kissange, P. J.
Knight, E. S. & Co.
Kok, P. J.
Kovarick, M. & Dunkle, R. V.
Kovolec, J.
Kraitsowits, I. K.
Kramer, C. J. M.
Kruger, P.
Kuntz, J. S.
Kununurra Action Group, WA

Labour & Immigration, Department of
Labour, Department of, Staff Task Force
Lacey, C. J.
Lacey, G.
Lambert, B. P.
Lamond, T. W.
Lamont, H.
Lane, E. J.
Langford, A. F. W.
Lansdown, R. B. (see Urban and Regional Development)
Laube, A. G.
Law Reform Commission
Law Society of New South Wales
Lawler, K. B.
Lawler, P. J. (see Special Minister of State)
Lawry, J. K.
Laws, G. G.
Lawyers Association, Australian Government
Layton, E.
Lean, H. K.
Lennet, P. A.
Lee, P. & Bevan, J.
Lewarth, A.
Leyland, M.
Li, Ching Sing
Liberal Party of Australia, ACT Region
Library Association of Australia
Lines, E. W.
Lintern, C. R.
Livingstone, R. S. (see Northern Development)
Lloyd, C. J. & Briot, G. T.
Loneragan, O. W.
Lowndes, W. N.
Lowther, J. E.
Lullgrabe, P. M.
Lynch, D. J.
Lyne-Brown, R.
Lyster, E. S.

McAlister, D.
McAullay, A. V. V.
McCallum, D. J.
MacCallum, W. A.

McCloud, M.
McCourt, L. F.
McCusker, J.
McFarlane, G. C.
MacFarlane, I.
McGarvin, J. E.
McGeehan, D.
McGregor, R.
McKay, D. H. (see Overseas Trade)
McKenna, G.
McKinnon, M. H.
McLachlan, V. H.
McMichael, D. F. (see Environment & Conservation)
McMullan, J. D.
McMullen, T.
McNally, P. I.
McSwain, N. D.
Mackey, R.
Magee, W. S.
Maher, C.
Malcolm, P. R. & Mathews, A.
Malloy, G. M.
Management Services Group (Canberra)
Mangano, R. C. C.
Mann, H.
Mann, J. Y.
Mann, R.
Manufacturing Industry, Department of
Marks, G.
Marshall, A. C.
Martin, C.
Martin, L. et al.
Martin, R. E.
Mason, W. R.
Materials Research Laboratories Group, POA
Matheson, E.
Matheson, G.
Mathews, A. & Malcolm, P. R.
Mayers, T. J.
Maynard, G.
Meat Inspectors' Association
Media, Department of
Mediansky, F. A.
Menadue, J. L. (see Prime Minister and Cabinet)
Meuross, D.
Miller, C. L. (and 32 others)
Mills, G. D.
Mills, R.
Millward, W. H.
Minerals and Energy, Department of
Minz, S.
Mirabella, K. P.
Monitronics Pty Ltd
Moorehouse, R. T.
Moroney, J. F.
Morris, C.
Morris, J. M.
Morris, K. T.
Morris, Y.
Morschel, J. R.
Mortimer, C.
Movement for the Defence of Government Schools, Tasmania
Moyse, E.
Muller, L.
Municipal Officers' Association of Australia, Victoria Branch
Munro, A.
Murray, J.
Murray, J. D.
Muspratt, J. S.

Nancarrow, M. E. & Boekenstein, P. A.
National Aboriginal Consultative Committee
National Association of Testing Authorities
National Capital Development Commission
National Committee on Discrimination in Employment and Occupation
National Council of Women of Australia
Neville, J. W.
Neylon, G. T.
Nicholas, A. R.
Nicholas, C. T.
Nicholson, I. F.
Nisbett, S.
Norris, H.
Northern Australia, Department of
Northern Development, Department of
Northern Farmers Association
Northern Territory, Department of
Nugent, R. P.

O'Brien, K.
O'Brien, T. A. (see Northern Territory and Northern Australia)
O'Brien, W.
O'Callaghan, T. H.
O'Connell, G. J.
O'Dwyer, L. D.
O'Meara, E. H.
O'Meara, S.
Orian, J. J. G. M.
Orr, C. A.
Osborne, C.

Oswin, J. H. (see Media)
Overseas Student Service
Overseas Trade, Department of
Ozimic, S.

Packer, T. J.
Paddock, G.
Palzer, H. R.
Pang, H.
Panich, D.
Parker, G. B.
Parliament House Sectional Committee (Fourth division officers)
Parliamentary Library Society
Patent Office Examination Branch, Staff Members
Patents, Commissioner of
Paterson, K.
Payne, J. K. et al.
Pearcy, W.
Peebles, A. L.
Penn, M. R. S.
Perkins, C. N.
Peters, F. E.
Pickford, N.
Pierce, W. G.
Pinkerton, D. M.
Pitzen, P. S.
Polites, N.
Pollack, D.
Poole-Johnson, J. G.
Postal Overseers' Union of Australia
Postmaster-General's Department
Potter, K. J.
Power, M.
Pratt, D.
Presbyterian Women's Association of Australia
Prime Minister & Cabinet, Department of
Priorities Review Staff
Professional Officers' Association
Professional Officers' Association, Aeronautical Research Group
Professional Officers' Association, B.M.R. Group
Professional Officers' Association, Librarians Group
Professional Officers' Association, NT Branch Darwin
Professional Officers' Association, South Australian Branch
Professional Officers' Association, Weapons Research Est. Branch
Professional Radio Employees Institute of Australasia
Promotions Appeal Committee, Melbourne
Prowse, L. J.
Public Service Arbitrator
Public Service Association of NSW
Public Service Board
Pye, V. W.
Pyle, J. R. (and eleven others)

Queensland Conservation Council Inc.
Queensland Disaster Welfare Committee
Quinn, J. B.
Quirk, M. J.

Radio Frequency Management Branch
Rafferty, R. G.
Rankin, M. A.
Rasmussen, C. W. H.
Ratcliffe, G.
Rattigan, G. A.
Redcliff Environmental Enquiry
Rees, F.
Reid, B.
Reid, G. S.
Repatriation and Compensation, Department of
Reiher, A. S. (see Housing and Construction)
Renouf, A. P. (see Foreign Affairs)
Richardson, S. S.
Roach, E. J.
Roberts, F.
Roberts, H. E.
Robertson, D. S.
Robertson, S. G.
Robin, G.
Robinson, W. J.
Roper, C. R.
Rose, A. L.
Rose, C.
Rose, D. J.
Ross, E. G.
Ross, R. T.
Royal Australian Institute of Architects
Royal Australian Nursing Federation, Melbourne
Royal Commission on Human Relations
Royal Institute for the Blind, SA
Rozen, M.
Runnstrom, B. J.
Russell, C.
Rust, R. P.
Ryce, (Raymond) Pty Ltd

Sabadine, C.

Saddington, C. & N.
St Joan's International Alliance, Queensland Branch
Santa-Isabel, J. & Briggs, J.
Scamp, L. R.
Schadel, F. R.
Scharen, R.
Schuller, J. R.
Science, Department of
Seaman, M.
Secomb, I.
Second Division Officers' Association
See, A. J.
Sekay, S. J.
Sellars, L. G.
Sercombe, R.
Services & Property, Department of
Sewell, J. (and 36 others)
Sharp, I. G. (see Labour & Immigration)
Sharp, S.
Shaw, A. G. L.
Shaw, A. J.
Sheehan, M. A.
Sheils, K. C.
Shephard, D. A. W.
Sherley, V. J.
Shire of West Kimberley
Shoobridge, D. W.
Siegele, C. C.
Simmonds, J. D.
Simmons, R. A.
Simon, J. C.
Simonds, P.
Simonian, G.
Simons, P. J. (and 3 others)
Simpson, F. N.
Sinclair, P.
Singleton Community Health Centre
Skeggs, R.
Sloss, J. M.
Smedley, P.
Smith, A.
Smith, B.
Smith, J.
Smith, R. B.
Smitz, C. V.
Smyth, F. S.
Snelling (John W.) and Associates
Snowy Mountains Engineering Corp.
Snowy Mountains Hydro-electric Authority
Snowy Mountains Staff Associations Committee, Cooma
Social Security, Department of
Social Security, Department of, Staff Committee, Townsville
Social Welfare Commission
Society of St Vincent de Paul
Sommerlad, E. & Duke, C.
Southern, R. L.
Special Minister of State, Department of
Spicer, E. H.
Spier, R.
Stacey, V. T.
Stack, R. P.
Stanton, V.
Stapleton, T.
Staunton, A. J.
Steele, P.
Stevens, C. O.
Stewart, J. E.
Stone, D.
Stone, F. E.
Stone, G. B.
Stone, J.
Storozuk, I.
Stow, R. A.
Strzelecki, R. Z. M.
Stuart, A.
Students Association, ANU
Student Representative Council Mercy College
Sturtz, J. D.
Stutchbury, J. E.
Subnormal Children's Welfare Association
Superannuation Board
Swain, J. P.
Sweeney, G.
Sywidowski, W. F.

Tange, Sir Arthur (see Defence)
Tanswell, N. D.
Tarrant, E.
Taylor, H. A.
Taylor, L. G.
Telfer, B.
Temesvary, A.
Thacker, J. B.
Thalbourne, T. A.
Thomas, B.
Thomas, F. P.
Thomas, W. D. T.
Thompson, P. J.
Thompson, P. L.
Thorpe, L.
Thorpe, P.
Throssell, R. P.
Tibbett, G. B.
Tomlinson, J.

Tonkin, D.
Tonkin, R. G.
Toomer, W. F.
Tourism & Recreation, Department of
Trade Practices Commission
Transport, Department of
Transport, Department of, Staff Group
Travers, D. B.
Treasury
Trevan, T. D.
Trianni, A.
Trowbridge, M.
Tuchin, J.
Tucker, A. D.
Tunbridge, L.
Turner, H. H.

Unit for Quality of Work Life, SA Dept of Labour and Industry
United Council of Immigrants
University of New England
Urban & Regional Development, Department of
Urlini, G.

Vale, K. R.
Vallance, R. P.
Van Ech, N.
Victorian Automobile Chamber of Commerce

Waite, J. V.
Walters, K. J.
Walters, R.
Want, R. L.
Wark, I. W.
Wastell, F. J.
Watershed Association of Victoria
Watkins, R.
Watson, W. R.
Weapons Research Establishment
Wesley-Smith, R. N.
West, A.
Westaway, D. L.
Western Australian Institute of Technology
Weston, F. W.
Wettenhall, R. L.
Wheeler, Sir Frederick (see Treasury)
Wheeler, M. E.
Whelan, I. M.
Whisson, K.
Whitaker, J. P.
White, D.
White, G.
Whitehead, J.
Whitehead, J. B.
Whitten, R. H.
Whittle, A.
Wickenden, D.
Wienecke, G. E.
Wildlife Preservation Society of Queensland Inc.
Wilkie, D.
Wilkinson, E .J.
Willems, J.
Williams, N. M.
Williams, P. W.
Wills, J.
Wilson, B. P.
Wilson, E. G.
Wilson, J. J.
Wing, F. J.
Women Active Politically
Women in Australian Government Employment (182 signatories)
Women's Community Aid Association
Women's Electoral Lobby, Canberra
Women's Electoral Lobby, Victoria
Women's International League for Peace and Freedom
Women's Liberation, Sydney
Woodward, G. A.
Wu, K.
Wyly, S. A. L.

Yachting World Pty Ltd
Young Women's Christian Association, Australia

Ziesig, Oskar

HEARINGS OF THE COMMISSION

In the course of hearing oral evidence the Commission visited fifteen centres and sat for a total of fifty-four working days. Hearings were public except where confidentiality was requested by witnesses when the proceedings were held in camera. The Commission's program is set out below.

Centre	*Dates*
Canberra, ACT	18–19 November, 1974
	25–29 November, 1974
	2–4 December, 1974
	20–23 January, 1975
	11–14 February, 1975
	18–19 February, 1975
	29 April–2 May, 1975
	6 and 13 May, 1975
	13–14 August, 1975
Melbourne, Vic.	21–22 November, 1974
	28–30 January, 1975
	14 and 24 April, 1975
Sydney, NSW	5–6 December, 1974
	24–26 February, 1975
Brisbane, Queensland	3–4 February, 1975
Townsville, Queensland	6 February, 1975
Albury–Wodonga NSW/Vic.	28 February, 1975
Hobart, Tas.	11 March, 1975
Alice Springs, NT	17–18 March, 1975
Darwin, NT	19 March, 1975
Kununurra, WA	20 March, 1975
Derby, WA	21 March, 1975
Port Hedland, WA	22 March, 1975
Perth, WA	24 March, 1975
Adelaide, SA	26 March, 1975
Salisbury, SA	27 March, 1975

WITNESSES AT PUBLIC HEARINGS

Abbott, D. C.	Professional Officers Association	22.11.74	Melbourne, Vic.
Adams, J. S.	Weapons Research Establishment	27.4.75	Salisbury, SA
Adams, N. A.	Personal Submission	24.3.75	Perth, WA
Agars, P. D.	Australian Society of Accountants (with Munro, R. F.)	29.1.75	Melbourne, Vic.
Ainsworth, B. A.	Arbitration Inspectors Assoc.	22.4.75	Melbourne, Vic.
Alexander, P. C.	Personal submission	5.12.74	Sydney, NSW
Alexander, R. F.	Civil Air Operations Officers Assoc. (with Garlick, R. J.)	29.1.75	Melbourne, Vic.
Allen, R. N.	Department of Education (with Jones, K. N.)	25.11.74	Canberra, ACT
Allison, E. H.	Women's Electoral Lobby (ACT) (with Bradley, J.)	3.12.74	Canberra, ACT
Anderson, D.	National Aboriginal Consultative Committee	30.1.75	Melbourne, Vic.
Anderson, D.	National Aboriginal Consultative Committee	30.1.75	Melbourne, Vic.
Anderson, Sir Donald* (the late)	Qantas	14.8.75	Canberra, ACT
Anderson, F. E.	Department of Trade (with McKay, D. H.)	12.2.75	Canberra, ACT
Anderson, L. L.	Weapons Research Establishment	27.3.75	Salisbury, SA
Argall, D. W.	Personal submission (with Enfield, J.D.)	19.11.74	Canberra, ACT
Attridge, J. D.*	Personal submission	14.7.75	Melbourne, Vic.
Bain, A.	Personal submission	24.3.75	Perth, WA
Baker, J.	Dept. of Aboriginal Affairs	21.3.75	Derby, WA
Bannerman, R. M.	Trade Practices Commission	30.4.75	Canberra, ACT
Barnard-Brown, R. H.	Weapons Research Establishment (with Anderson, L. L.)	27.3.75	Salisbury, SA
Bates, W. R.	Bureau of Agricultural Economics (with Ives, W.)	19.2.75	Canberra, ACT
Baxter, L. R.	Weapons Research Establishment	27.3.75	Salisbury, SA
Bennett, A. G.*	Department of Northern Development (with Livingstone, R. S.)	6.5.75	Canberra, ACT
Bird, G. N.	Professional Radio Employees Institute (with McGowan, J. E.)	25.2.75	Sydney, NSW
Blunt, C.	Kimberley Research Station	20.3.75	Kununurra, WA
Bond, M. E.	Australian Local Government Womens Association South Australian Branch	26.3.75	Adelaide, SA

Bott, L. F.	Department of Tourism and Recreation	12.2.75	Canberra, ACT
Bradley, J.	Women's Electoral Lobby (ACT)	3.12.75	Canberra, ACT
Brennan, N.	Good Neighbour Council of Victoria	21.11.75	Melbourne, Vic.
Brigden, K. F.	Taxation Office (with Cain, Sir Edward)	19.2.75	Canberra, ACT
Briscoe, G.	Personal submission	14.8.75	Canberra, ACT
Bromley, S. J.*	Personal submission	4.2.75	Brisbane, Qld
Brookman, J. G.	Weapons Research Establishment (with Adams, J. G.)	27.3.75	Salisbury, SA
Bull, D. M.	Personal submission	26.3.75	Adelaide, SA
Bunting, Sir John	Department of the Prime Minister & Cabinet	29.11.74	Canberra, ACT
Burt, M. T.	Personal submission	4.12.75	Brisbane, Qld
Cain, Sir Edward	Taxation Office	19.2.75	Canberra, ACT
Callaghan, B. B.	Commonwealth Banking Corp.	2.5.75	Canberra, ACT
Callcott, B.	Women's Liberation, NSW	26.2.75	Sydney, NSW
Cameron, D. E.	Professional Officers Assoc. (with Abbott, D. C.)	22.11.74	Melbourne, Vic.
Campbell, N. J.	Administrative & Clerical Officers Assoc.	22.11.74	Melbourne, Vic.
Carmody, A. T.	Dept of Customs & Excise	26.11.74	Canberra, ACT
Carr, A. S.*	Hearing Aid Council	2.5.75	Canberra, ACT
Chapman, A.	Kimberley Research Station	20.3.75	Kununurra, WA
Chesterman, M. F.	Good Neighbour Council of Tasmania	11.3.75	Hobart, Tas.
Clohesy, M.	Campaign Against Moral Persecution, NSW Branch (with de Waal, P.)	5.12.74	Sydney, NSW
Cole, R. W.	Treasury (with Wheeler, Sir Frederick)	28.11.74	Canberra, ACT
Coleman, M. Y.	Social Welfare Commission	21.1.75	Canberra, ACT
Connolly, B. J.	Australian Broadcasting Control Board (with Wright, M. F. E.)	19.2.75	Canberra, ACT
Connolly, D. M.	Personal submission	24.2.75	Sydney, NSW
Connop, N. C.	Federated Clerks Union of Australia	30.1.75	Melbourne, Vic.
Conway, J. L.	Public Service Board (with Cooley, Sir Alan)	15.11.74	Canberra, ACT
Coogan, C. K.	CSIRO Officers Assoc.	1.5.75	Canberra, ACT
Cooke, K. H. S.	Commonwealth Medical Officers Assoc. (with Ferguson, D.A.)	25.2.75	Sydney, NSW
Cooley, Sir Alan	Public Service Board	18.11.74	Canberra, ACT
Corin, R. A.	Association of Professional Engineers (with Michael, J. A.)	29.1.75	Melbourne, Vic.
Costello, C. H.	Dept of Repatriation & Compensation (with Kingsland, R.)	21.1.75	Canberra, ACT
Costello, P. E.	Dept of Social Security	24.3.75	Perth, WA

Coughlin, B. H.	Dept of Services & Property (with Timbs, M. C.)	13.2.75	Canberra, ACT
Coutts, D. H.	Bureau of Mineral Resources, Technical Officers	11.2.75	Canberra, ACT
Cox, W. F.	Professional Officers Assoc. (with Abbott, D. C.)	22.11.74	Melbourne, Vic.
Craig, G. F.	Albury-Wodonga Development Corp.	28.2.75	Wodonga, Vic.
Craik, D. R. S.	Auditor-General	26.11.74	Canberra, ACT
Crohn, L.	Professional Officers Assoc. (NT Br)	19.3.75	Darwin, NT
Crompton, J. W.	Weapons Research Establishment (with Adams, J. S.)	27.3.75	Salisbury, SA
Cross, R.	Liberal Party, ACT Region (with Selmes, T.)	13.2.75	Canberra, ACT
Crotty, K. W.	Attorney-General's Department (with Harders, C. W.)	30.4.75	Canberra, ACT
Cullen, R. B.	Second Division Officers Association (with Roche, D. J.)	18.2.75	Canberra, ACT
Currie, N. S.*	Department of Manufacturing Industry	6.5.75	Canberra, ACT
Curtis, P. C. J.	Department of Foreign Affairs (with Renouf, A. P.)	12.2.75	Canberra, ACT
Dalmau, P.	Department of Labour & Immigration Staff Association (with Quirk, M. J.)	29.1.75	Melbourne, Vic.
Daniel, R.	Treasury (with Wheeler, Sir Frederick)	28.11.74	Canberra, ACT
Daniels, L. J.	Department of Social Security	21.1.75	Canberra, ACT
Darrell, D.	Kimberley Research Station	20.3.75	Kununurra, WA
De Waal, P.	Campaign Against Moral Persecution (NSW Branch) (with Clohesy, M.)	5.12.75	Sydney, NSW
Desmond, R.	CSIRO Technical Officers Association	1.5.75	Canberra, ACT
Dexter, B. G.	Dept of Aboriginal Affairs	3.12.75	Canberra, ACT
Dorrian, P. A.	Australian Broadcasting Commission (with Downing, R. I.)	23.1.75	Canberra, ACT
Downing, R. I.	Australian Broadcasting Commission	23.1.75	Canberra, ACT
Drabble, J. S.	Canberra Consumers Inc.	13.2.75	Canberra, ACT
Druce, E. C.	Bureau of Mineral Resources Geoscientists	11.2.75	Canberra, ACT
Duckmanton, T. J.	Australian Broadcasting Commission (with Downing, R. I.)	23.1.75	Canberra, ACT
Duthie, L. P.	Department of Trade (with McKay, D. H.)	12.2.75	Canberra, ACT
Dwyer, M.	Personal submission	21.3.75	Derby, WA
Eddy, J. M.	Personal submission (with Osborne, C.)	11.2.75	Canberra, ACT

Else-Mitchell, R.	Grants Commission	6.5.75	Canberra, ACT
Emery, D. O.	Good Neighbour Council of Victoria (with Brennan, N.)	21.11.74	Melbourne, Vic.
Enfield, J. D.	Personal submission (with Argall, D. W.)	19.11.74	Canberra, ACT
Engleheart, M. G.	NSW Public Service Association	24.2.75	Sydney, NSW
Ennor, Sir Hugh	Department of Science	1.5.75	Canberra, ACT
Ewers, T. C.	Department of Social Security	24.3.75	Perth, WA
Fanning, M. P.	Third Division Group of Women (ACT)	3.12.74	Canberra, ACT
Farquhar, A.	Personal submission	22.4.75	Melbourne, Vic.
Farran, A.	Personal submission	30.1.75	Melbourne, Vic.
Ferguson, D. A.	Commonwealth Medical Officers Assoc.	25.2.75	Sydney, NSW
Flint, N. M.	Third Division Group of Women (ACT) (with Fanning, M.P.)	3.12.74	Canberra, ACT
Fogarty, P.	St Johns International Alliance	4.2.75	Canberra, ACT
Fogarty, P. J.	Department of Defence (with Tange, Sir Arthur)	20.1.75	Canberra, ACT
Frost, J. M. R.	Weapons Research Establishment (with Anderson, L. L.)	27.3.75	Salisbury, SA
Garlick, R. J.	Civil Air Operations Association (with Alexander, R. F.)	29.1.75	Melbourne, Vic.
Garrett, J. H.	Treasury (with Wheeler, Sir Frederick)	28.11.74	Canberra, ACT
Gibbons, M.	Third Division Group of Women (ACT) (with Fanning, M.P.)	3.12.74	Canberra, ACT
Gibbs, S. P.	Australian Public Service Association (Fourth Division Officers)	20.11.74	Melbourne, Vic.
Gibbs, W. T.	Bureau of Meteorology	14.3.75	Melbourne, Vic.
Glenwright, H.	Department of Social Security (with Miller, C. L.)	6.2.75	Townsville, Qld
Gore, D. C.	Australian Federation of Construction Contractors (with Mierisch, R. J.)	25.2.75	Sydney, NSW
Gorton, Rt Hon. J. G.	Personal submission	2.12.74	Canberra, ACT
Gradwell, L. L.	CCPSO (with Turbet, K. C.)	18.2.75	Canberra, ACT
Grant, J. M.	Bureau of Transport Economics (with Kain, J. D.)	14.2.75	Canberra, ACT
Grassby, A. J.	Special Consultant on Community Relations	11.2.75	Canberra, ACT
Green, A. C.*	Health Department, SA Division	27.3.75	Adelaide, SA
Green, C. B.	Department of Social Security	24.3.75	Perth, WA
Green, F. J.	Department of Defence (with Tange, Sir Arthur)	20.1.75	Canberra, ACT
Greenham, C.	Third Division Group of Women (ACT) (with Fanning, M. P.)	3.12.75	Canberra, ACT

Gregson, A. W.	Good Neighbour Council of Tasmania (with Chesterman, M. F.)	11.3.75	Hobart, Tas.
Halton, C. C.	Department of Transport	19.2.75	Canberra, ACT
Hamilton, A. N. S.	Postmaster General's Department	22.4.75	Melbourne, Vic.
Hammond, G. B.	NSW Public Service Association (with Engleheart, M. G.)	24.2.75	Sydney, NSW
Harders, C. W.	Attorney General's Department	30.4.75	Canberra, ACT
Harding, W. J.	Personal submission	22.4.75	Melbourne, Vic.
Hargraves, G. W.	Personal submission	4.2.75	Brisbane, Qld
Harrison, M. J.	Personal submission	14.2.75	Canberra, ACT
Hayes, S.	Personal submission (with Simon, J. C.)	26.2.75	Sydney, NSW
Henderson, P. G. F.	Department of Foreign Affairs (with Renouf, A. P.)	12.2.75	Canberra, ACT
Henderson, W. J.	Associated Chamber of Manufacturers of Australia	13.2.75	Canberra, ACT
Henschke, L. R.	Weapons Research Establishment (with Anderson, L. L.)	27.3.75	Salisbury, SA
Herring, S. G.	Second Division Officers Association (with Roche, D. J.)	18.2.75	Canberra, ACT
Hewitt, Sir Lenox	Department of Minerals & Energy	18.2.75 29.4.75	Canberra, ACT
Hickey, B. J.	WA Council of Social Service	24.3.75	Perth, WA
Hill, D. J.	Treasury (with Wheeler, Sir Frederick)	28.11.74	Canberra, ACT
Hill, F. T.	Social Welfare Commission (with Coleman, M. Y.)	21.1.75	Canberra, ACT
Hinton-Bayre, A. J. J.	Dept of Labour & Immigration Staff Association (with Quirk, M. J.)	29.1.75	Melbourne, Vic.
Hipsley, E. H.	Personal submission	14.2.75	Canberra, ACT
Hoey, K.	Personal submission	11.3.75	Hobart, Tas.
Honan, N. D.	Bureau of Agricultural Economics (with Ives, W.)	19.2.75	Canberra, ACT
Hooper, A. D. L.	Professional Officers Assoc. (NT)	19.3.75	Darwin, NT
Hooper, P. T.	Arid Zone Research Institute	17.3.75	Alice Springs, NT
Horne, S. B.	Young Women's Christian Assoc. (with Kean, J.)	28.1.75	Melbourne, Vic.
Hough, W. J.	Personal submission (with Osborne, C.)	11.2.75	Canberra, ACT
Howells, G.	Department of Health	21.1.75	Canberra, ACT
Hundloe, T.	Queensland Conservation Council (with Springell, P.)	3.2.75	Brisbane, Qld
Ihlein, G. R.	Australian Public Service Association (Fourth Division Officers) (with McMullen, B. V.)	20.11.74	Melbourne, Vic.

Iles, L.	Good Neighbour Council of SA	26.3.75	Adelaide, SA
Ives, W.	Department of Agriculture	19.2.75	Canberra, ACT
Jackson-Hope, R. O.	Air Transport Group (NSW) (with Marrott, D. L.)	26.2.75	Sydney, NSW
James, W. G.	Department of Social Security Officers Committee	6.2.75	Townsville, Qld
Janzow, I. P. R.	Personal submission	18.3.75	Alice Springs, NT
Jensen, A. R.	Bureau of Mineral Resources Geoscientists (with Druce, E. C.)	11.2.75	Canberra, ACT
Johnson, L. W.	Australian Development Assistance Agency	30.4.75	Canberra, ACT
Johnson, M. N.	Bureau of Mineral Resources (with Coutts, D. A.)	11.2.75	Canberra, ACT
Jones, K. N.	Department of Education	25.11.75	Canberra, ACT
Jones, L. W.	Kimberley Research Station	20.3.75	Kununurra, WA
Jones, P.	Department of Transport (with Halton, C. C.)	19.2.75	Canberra, ACT
Jones, R. E.	Commonwealth Bank Officers Association (with Morrow, N. H.)	24.2.75	Sydney, NSW
Juddery, B.	Personal submission	20.1.75	Canberra, ACT
Kain, J. D.	Bureau of Transport Economics (with Grant, T. M.)	14.2.75	Canberra, ACT
Karmel, P.*	Universities Commission	6.5.75	Canberra, ACT
Kean, J. E.	Young Womens Christian Association	28.1.75	Melbourne, Vic.
Kelly, A. H.	Personal submission	30.1.75	Melbourne, Vic.
Kelly, H.	Kimberley Research Station	20.3.75	Kununurra, WA
Kelly, R. G.	Department of Repatriation & Compensation (with Kingsland, R.)	21.1.75	Canberra, ACT
Kennedy, J. E.	Women's Electoral Lobby (ACT Group) (with Bradley, J.)	3.12.74	Canberra, ACT
Kennedy, K. M.	Bureau of Mineral Resources Geoscientists (with Druce, E. C.)	11.2.75	Canberra, ACT
Kennedy, P. G.*	Personal submission	14.7.75	Melbourne, Vic.
Kennedy, W. D.	Department of Services & Property (with Timbs, M. C.)	13.2.75	Canberra, ACT
King, A.	Personal submission	24.3.75	Perth, WA
Kingsland, R.	Department of Repatriation & Compensation	21.1.75	Canberra, ACT
Koehne, P. R.	Personal submission	18.3.75	Alice Springs, NT
Kontsounadis, V.	Personal submission (with Simon, J. C.)	26.2.75	Sydney, NSW
Kraitsowits, K. J.	Bureau of Mineral Resources Technical Staff (with Coutts, D. A.)	11.2.75	Canberra, ACT
Lambert, D.	AAESDA (with Walker, G. L.)	29.1.75	Melbourne, Vic.

Lamond, T. W.	Industries Assistance Commission	5.12.74	Sydney, NSW
Lamont, H.	Personal submission	24.3.75	Perth, WA
Lanigan, P. J.	Taxation Office (with Cain, Sir Edward)	19.2.75	Canberra, ACT
Lansdown, R. B.	Department of Urban & Regional Development	23.7.75	Canberra, ACT
Larkins, G.	Kimberley Research Station	20.3.75	Kununurra, WA
Lawler, P. J.	Department of the Special Minister of State	6.5.75	Canberra, ACT
Lawler, T.	Personal submission	19.3.75	Darwin, NT
Li, C. S.	Personal submission	19.3.75	Darwin, NT
Linehan, D. L.	Public Service Board (with Cooley, Sir Alan)	19.11.74	Canberra, ACT
Linford, R. J.	Department of the Prime Minister & Cabinet (with Bunting, Sir John)	29.11.74	Canberra, ACT
Livingston, R. S.	Department of the Northern Territory	6.5.75	Canberra, ACT
Loftus-Hills, G. D.	Australia Party (Vic. Branch)	21.11.74	Melbourne, Vic.
Lonergan, J. P.	Department of Science (with Ennor, Sir Hugh)	1.5.75	Canberra, ACT
Long, J. P. M.	Department of Aboriginal Affairs (with Dexter, B. G.)	3.12.74	Canberra, ACT
Maher, P. C.	Department of Education (with Jones, K. N.)	25.11.74	Canberra, ACT
Malcolm, P. R.	Weapons Research Establishment	27.3.75	Salisbury, SA
Mallett, V. J.	Personal submission (with Thompson, K. L.)	25.2.75	Sydney, NSW
Malone, L. A. J.	Department of Aboriginal Affairs (with Dexter, B. G.)	3.12.74	Canberra, ACT
Mann, H.*	Personal submission	26.3.75	Adelaide, SA
Marks, G.	Department of Education	17.3.75	Alice Springs, NT
Marrott, D. L.	Air Transport Group (NSW)	26.2.75	Sydney, NSW
Martens, M.	Central Industrial Secretariat (with Polites, G.)	18.1.75	Melbourne, Vic.
Martin, J.	Department of Transport (with Halton, C. C.)	19.2.75	Canberra, ACT
Martin, L. M.	Personal submission (with Thompson, K. L.)	25.2.75	Sydney, NSW
Mathams, G. G.	Australian Federation of Construction Contractors (with Mierisch, R. J.)	25.2.75	Sydney, NSW
Matthews, A.	Weapons Research Establishment (with Malcolm, P. R.)	27.3.75	Salisbury, SA
Maynard, G. B.	Caulfield Institute of Technology (with Wheaton, G. J.)	28.1.75	Melbourne, Vic.
Mediansky, F. A.	Personal submission	14.2.75	Canberra, ACT
Meeuwsen, J. P.	Labour & Immigration Staff Association (with Quirk, M. J.)	29.1.75	Melbourne, Vic.

Menadue, J. L.*	Department of the Prime Minister & Cabinet	13.8.75	Canberra, ACT
Menzies, A. C. C.	Attorney-General's Department (with Harders, C. W.)	30.4.75	Canberra, ACT
Michael, J. A.	Association of Professional Engineers (with Corin, R. A.)	29.1.75	Melbourne, Vic.
Mierisch, R. J.	Australian Federation of Construction Contractors	25.2.75	Sydney, NSW
Miller, C. L.	Department of Social Security Officers Committee	6.2.75	Townsville, Qld
Miller, P. O.	Association of Consulting Engineers	24.2.75	Sydney, NSW
Mills, R. H.	Personal submission	2.5.75	Canberra, ACT
Minz, S. S.	Personal submission	30.1.75	Melbourne, Vic.
Mitchell, I. S.	Department of Aboriginal Affairs (with Dexter, B. G.)	3.12.75	Canberra, ACT
Montgomery, V. G.	Department of Customs & Excise (with Carmody, A. T.)	26.11.74	Canberra, ACT
Moore, R. C.	Department of Trade (with McKay, D. H.)	12.2.75	Canberra, ACT
Moore, L. M.	Personal submission	24.3.75	Perth, WA
Morgan, G. J.	Air Transport Group (NSW)	26.2.75	Sydney, NSW
Moriarty, J.	Personal submission	14.8.75	Canberra, ACT
Morison, D. G.	Royal Society for the Blind	26.3.75	Adelaide, SA
Morris, J. M.	Personal submission	5.12.74	Sydney, NSW
Morrison, D. M.	Department of Education (with Jones, K. N.)	25.11.74	Canberra, ACT
Morrison, J. R.	Third Division Group of Women (with Fanning, M. P.)	3.12.74	Canberra, ACT
Morrow, N. H.	Commonwealth Bank Officers Association	24.2.75	Sydney, NSW
Moss, J. T. St L.	Commonwealth Medical Officers Association (with Ferguson, D. A.)	25.2.75	Sydney, NSW
Mounic, R. C.	Australian Chamber of Commerce (with Pelham-Thorman, R. R.)	25.11.75	Canberra, ACT
Muir, L. T.	Albury-Wodonga Development Corporation (with Craig, G. F.)	28.2.75	Wodonga, Vic.
Muller, L. A. G.	Personal submission	19.3.75	Darwin, NT
Munro, R. F.	Australian Society of Accountants (with Agars, P. D.)	29.1.75	Melbourne, Vic.
Murphy, K.	Kimberley Research Station	20.3.75	Kununurra, WA
Murray, F. C.	Department of Foreign Affairs (with Renouf, A. P.)	12.2.75	Canberra, ACT
McCallum, D. J.	Personal submission	2.5.75	Canberra, ACT
McCallum, W. J.	Personal submission	26.3.75	Adelaide, SA
McConnell, J. M.	National Council of Women	11.2.75	Canberra, ACT
McCourt, L. F.	Personal submission	4.2.75	Brisbane, Qld

McDonald, H. B.	Public Service Board (with Cooley, Sir Alan)	19.11.74	Canberra, ACT
McDonald, H. J.*	Department of Housing & Construction (with Reiher, A. S.)	22.4.75	Melbourne, Vic.
McDonald, L.	Department of the Media (with Oswin, J. H. M.)	23.1.75	Canberra, ACT
McGowan, J. E.	Professional Radio Employees Institute	25.2.75	Sydney, NSW
McGrath, M. J.	Personal submission (with Thompson, K. L.)	25.2.75	Sydney, NSW
McKay, D. H.	Department of Trade	12.2.75	Canberra, ACT
McKay, L. W.	Womens Liberation (NSW) (with Callcott, B.)	26.2.75	Sydney, NSW
McKenzie, J.	Patents Office (with Petersson, K. B.)	1.5.75	Canberra, ACT
McKenzie-McHarg, D.	Committee of Five Municipal Councils, Albury-Wodonga	28.2.75	Wodonga, Vic.
McKinney, J. W.	Wildlife Preservation Society (with Roe, J.)	3.2.75	Brisbane, Qld
McMahon, P. A.	Personal submission (with Harrison, M. J.)	14.2.75	Canberra, ACT
McMahon, Rt Hon. W. J.	Personal submission	6.12.74	Sydney, NSW
McManus, S. F.	Arbitration Inspectors Association (with Ainsworth, B. A.)	22.4.75	Melbourne, Vic.
McMichael, D. F.	Department of Environment & Conservation	13.2.75	Canberra, ACT
McMullan, V. B.	APSA (Fourth Division Officers)	20.11.74	Melbourne, Vic.
Newman, D. M.	Arid Zone Research Institute	17.3.75	Alice Springs, NT
Nicholson, I. F.	Personal submission	4.2.75	Brisbane, Qld
Noakes, B.	Central Industrial Secretariat (with Polites, G.)	28.1.75	Melbourne, Vic.
O'Brien, T. A.	Department of the Northern Territory	19.3.75	Darwin, NT
O'Connor, J. T.	Department of Customs & Excise (with Carmody, A. T.)	26.11.74	Canberra, ACT
O'Dwyer, L. R.	Personal submission	22.4.75	Melbourne, Vic.
Osborne, C.	Personal submission	11.2.75	Canberra, ACT
Oswin, J. H. M.	Department of the Media	23.1.75	Canberra, ACT
Overland, M. J.	Associated Chamber of Manufacturers of Australia	13.2.75	Canberra, ACT
Ozimic, S.	Bureau of Mineral Resources Technical Staff (with Coutts, D. A.)	11.2.75	Canberra, ACT
Packer, T. J.	Weapons Research Establishment (with Baxter, J. R.)	27.3.75	Salisbury, SA
Palmer, B. W.	Dept of Services & Property (with Timbs, M. C.)	13.2.75	Canberra, ACT
Parker, G. B.	Personal submission	26.3.75	Adelaide, SA
Parker, M. F.	Department of Science	1.5.75	Canberra, ACT

Parkinson, N. F.	Department of Foreign Affairs (with Renouf, A. P.)	12.2.75	Canberra, ACT
Patten, M. E. L.	Royal Australian Nursing Federation,	28.1.75	Melbourne, Vic.
Paull, Z. S.	Personal submission (with Simon, J. C.)	26.2.75	Sydney, NSW
Peebles, A. L.	Personal submission	24.3.75	Perth, WA
Pelham-Thorman R. R.	Aust. Chamber of Commerce	25.11.74	Canberra, ACT
Penn, M. R. S.	Personal submission	26.3.75	Adelaide, SA
Perkins, C. N.	Personal submission	14.8.75	Canberra, ACT
Peters, F. E.*	Personal submission	1-2.5.75	Canberra, ACT
Petersson, K. B.	Commissioner of Patents	1.5.75	Canberra, ACT
Pitman, L.	Young Women's Christian Association (with Kean, J.)	28.1.75	Melbourne, Vic.
Polites, G.	Central Industrial Secretariat	28.1.75	Melbourne, Vic.
Powell, A. J. W.	National Capital Development Commission	23.1.75	Canberra, ACT
Powell, J. M.	Bureau of Agricultural Economics (with Ives, W.)	19.2.75	Canberra, ACT
Quirk, M. J.	Labour & Immigration, Staff Association	29.1.75	Melbourne, Vic.
Ragless, A. K.	Auditor General's Office (with Craik, D. R. S.)	26.1.74	Canberra, ACT
Rainbow, J. G.	Department of Agriculture (with Ives, W.)	19.2.75	Canberra, ACT
Rattigan, G. A.	Industries Assistance Commission	2.12.74	Canberra, ACT
Read, M. K.	Albury-Wodonga Development Corporation (with Craig, G. F.)	28.2.75	Wodonga, Vic.
Redoslovich, E. W.	CSIRO Officers Assoc. (with Coogan, C. K.)	1.5.75	Canberra, ACT
Reid, G.	Personal submission	24.3.75	Perth, WA
Reiher, A. J.*	Dept of Housing & Construction	22.4.75	Melbourne, Vic.
Renouf, A. P.	Department of Foreign Affairs	12.2.75	Canberra, ACT
Richardson, S. J.	College of Advanced Education	2.5.75	Canberra, ACT
Rideout, F. C.,	Arid Zone Research Institute (with Newman, D. M.)	17.3.75	Alice Springs, NT
Robertson, D. M.	Personal submission (with Simon, J. C.)	26.2.75	Sydney, NSW
Robertson, D. R.	Australian Journalists Assoc.	25.2.75	Sydney, NSW
Robertson, P. S.	Weapons Research Establishment (with Baxter, J. R.)	27.3.75	Salisbury, SA
Robins, L. W. G.	Good Neighbour Council of Vic. (with Brennan, N.)	21.11.74	Melbourne, Vic.
Robinson, B. J.	Administrative and Clerical Officers Association (with Campbell, N. J.)	15.2.75	Canberra, ACT
Roche, D. J.	Second Division Officers Assoc.	15.2.75	Canberra, ACT

Rodda, K. J.	Department of Housing & Construction (with Reiher, A. S.)	22.4.75	Melbourne, Vic.
Roe, J.	Wildlife Preservation Society of Queensland (with McKinnon, J. W.)	3.2.75	Brisbane, Qld
Ronalds, C. A.	Personal submission (with Harrison, M. J.)	14.2.75	Canberra, ACT
Rose, A. L.	Northern Territory Reserves Board	17.3.75	Alice Springs, NT
Rose, C.	Personal submission	17.3.75	Alice Springs, NT
Rossiter, N. E. L.	Patents Office (with Petersson, K. B.)	1.5.75	Canberra, ACT
Russell, C. C.	Personal submission (with Scharen, V. R.)	25.2.75	Sydney, NSW
Scharen, V.	Personal submission (with Russell, C. C.)	25.2.75	Sydney, NSW
Schubert, D. J.	Committee of Five Municipal Councils Albury-Wodonga Region (with McHarg, D. M.)	28.2.75	Wodonga, Vic.
Schuller, J. R.	Personal submission	19.3.75	Darwin, NT
Scott, D. R.	Department of Social Security (with Daniels, L. J.)	21.1.75	Canberra, ACT
Scott, M. J.	Social Welfare Commission	21.1.75	Canberra, ACT
Scully, J.	Department of Trade (with McKay, D. H.)	12.2.75	Canberra, ACT
Selmes, T.	Liberal Party, ACT Region (with Cross, R.)	13.2.75	Canberra, ACT
Shannon, G.	National Capital Development Commission (with Powell, A. J. W.)	23.6.75	Canberra, ACT
Simon, J. C.	Personal submission	26.2.75	Sydney, NSW
Simons, P. J.	Personal submission	22.4.75	Melbourne, Vic.
Sinclair, Hon. I.	Australian Country Party	14.2.75	Canberra, ACT
Smith, W. J.	Council of Commonwealth Public Service Organisations (with Turbet, K. C.)	18.2.75	Canberra, ACT
Smyth, F. S.	Personal submission	11.2.75	Canberra, ACT
Springell, P.	Queensland Conservation Council (with Hundloe, T.)	3.2.75	Brisbane, Qld
Stephenson, M. O.	Council of Social Service, WA	24.3.75	Perth, WA
Sturtz, J. D.	Personal submission	19.3.75	Darwin, NT
Sullivan, P. J.	Department of Aboriginal Affairs (with Dexter, B. G.)	3.12.75	Canberra, ACT
Tange, Sir Arthur*	Department of Defence	20.1.75	Canberra, ACT
Tapper, B. P.	Australian Federation of Construction (with Mierisch, R. J.)	20.1.75	Canberra, ACT
Taylor, E. S.*	Personal submission	26.3.75	Adelaide, SA
Thacker, J. B.	Personal submission	26.3.75	Adelaide, SA
Thomas, F. P.	Personal submission	29.1.75	Melbourne, Vic.
Thomas, L. C.	Air Transport Group (NSW) (with Marrott, D. L.)	26.2.75	Sydney, NSW

Thompson, K. L.	Personal submission	25.2.75	Sydney, NSW
Timbs, M. C.	Department of Services & Property	13.2.75	Canberra, ACT
Toomer, W. F.	Personal submission	22.3.75	Port Hedland, WA
Travers, D. B.	Department of Health	14.2.75	Canberra, ACT
Treharne, R. F.	Weapons Research Establishment	27.3.75	Salisbury, SA
Turbet, K. C.	Council of Commonwealth Public Service Organisations	18.2.75	Canberra, ACT
Turner, J. A.	Department of the Capital Territory	29.4.75	Canberra, ACT
Type, F. E.	Taxation Office (with Cain, Sir Edward)	19.2.75	Canberra, ACT
Vaughan, J.	Library Association of Australia	2.5.75	Canberra, ACT
Walden, R.	Women's Electoral Lobby (ACT) (with Bradley, J.)	3.12.74	Canberra, ACT
Walker, G. L.	AAESDA (with Lambert, D. I.)	29.1.75	Melbourne, Vic.
Walsh, J. E.	Second Division Officers Assoc. (with Roche, D. J.)	18.2.75	Canberra, ACT
Walsh, K.	Commonwealth Bank Officers Assoc. (with Morrow, N. H.)	24.2.75	Sydney, NSW
Walter, P. J. G.	Personal submission	19.3.75	Darwin, NT
Walters, K. J.	Department of Housing & Construction	22.4.75	Melbourne, Vic.
Walters, R.	Personal submission	25.11.75	Canberra, ACT
Warrell, E. G.	Cities Commission	23.1.75	Canberra, ACT
Watson, A. K.	Australian Broadcasting Commission Staff Association	24.2.75	Sydney, NSW
Watson, W. R.	Department of Environment & Conservation	13.2.75	Canberra, ACT
Webster, C. A.	Department of Science (with Ennor, Sir Hugh)	1.5.75	Canberra, ACT
Wellard, J. F. B.	Personal submission	19.3.75	Darwin, NT
Wesley-Smith, R. N.	Personal submission	26.3.75	Adelaide, SA
Westerman, Sir Alan	Australian Industrial Development Corporation	30.4.75	Canberra, ACT
Westerman, H. L.	National Capital Development Commission (with Powell, A. J. W.)	23.1.75	Canberra, ACT
Wettenhall, R. L.	College of Advanced Education (with Richardson, J. J.)	2.5.75	Canberra, ACT
Wheaton, G. J.	Caulfield Institute of Technology (with Maynard, G. B.)	28.1.75	Melbourne, Vic.
Wheeler, Sir Frederick	Treasury	28.11.74	Canberra, ACT
White, D.	Personal submission	2.5.75	Canberra, ACT
White, G. E. E.	Personal submission	17.3.75	Alice Springs, NT
Whitten, R. H.	Professional Officers Association (with Abbott, D. C.)	22.11.75	Melbourne, Vic.
Williams, M. P.	Department of Social Security Officers Committee (with Miller, C. L.)	6.2.75	Townsville, Qld

Williams, N.	Personal submission	19.3.75	Darwin, NT
Wilson, E. G.	Personal submission	25.11.74	Canberra, ACT
Wood, C. A.	Personal submission	19.3.75	Darwin, NT
Wood, M.	WA Institute of Technology	24.3.75	Perth, WA
Woodward, G. R.	Department of Transport (with Halton, C. C.)	2.5.75	Canberra, ACT
Worthington, S. E.	Commonwealth Banking Corporation (with Callaghan, B. B.)	2.5.75	Canberra, ACT
Wright, M. F. E.	Australian Broadcasting Control Board	19.2.75	Canberra, ACT
Wryell, M.	Department of Social Security (with Daniels, L. J.)	21.1.75	Canberra, ACT
Wyly, S. A. L.	Personal submission	11.3.75	Hobart, Tas.
Wynne, I. C.	Australian Broadcasting Commission Staff Association (with Watson, A. K.)	24.2.75	Sydney, NSW
Yeend, G. J.	Department of the Prime Minister & Cabinet (with Bunting, Sir John)	29.11.74	Canberra, ACT
Young, R. J.	Public Service Board (with Cooley, Sir Alan)	19.11.74	Canberra, ACT

*Evidence heard partially or wholly *in camera.*

Note: The nomenclature of departments, authorities, staff associations, etc. conforms with usage at the time of the hearings.

STAFF OF THE ROYAL COMMISSION

Chairman's Personal Staff

M. J. McNamara
C. B. Osborne
R. E. Petch
E. Yeend

Secretarial Assistance to Commissioners

J. Egan (3/9/75 to July 76)
P. Harrington (19/8/74 to 10/1/75)
P. Midgley (12/8/74 to 11/10/74)
N. Porach (11/2/75 to 1/9/75)
J. B. Robinson (15/7/74 to July 76)
E. Roy (7/3/75 to 7/5/76)

Secretariat

Secretary—M. J. Wilson (11/7/74 to 23/7/75)
N. J. Attwood (28/7/75 to July 76)

M. Berryman (23/8/74 to 23/1/75)
L. Dzunda (29/9/75 to 1/3/76)
P. Eagles (4/8/75 to July 76)
P. Eisler (22/7/74 to 28/2/76)
D. Ferguson (3/2/75 to 20/1/76)
J. Ireland (1/7/74 to July 76)
M. Kennedy (16/9/74 to July 76)
E. Lowrie (9/5/75 to 18/3/76)
C. Lubans (29/1/75 to 18/3/76)
E. McCulloch (30/9/75 to 31/5/76)
L. McGrath (12/11/74 to 28/4/75)
R. McMillan (26/5/75 to 29/8/75)
W. H. McMillan (12/8/74 to July 76)
J. McNaughton (12/11/74 to 28/4/75)
S. Manwaring (8/7/74 to July 76)
B. Mengelkamp (25/1/75 to 14/1/76)
R. Oag (2/6/75 to 1/7/75)
J. Preston (24/3/75 to July 76)
G. Rossitter (4/8/75 to July 76)
W. Sedgeman (2/6/75 to 10/3/76)
M. V. Serrano (15/3/76 to July 76)
R. Sharp (11/7/74 to 1/6/75)
D. Stapleton (12/11/74 to 22/9/75)
K. Taperell (1/8/74 to 17/3/76)
J. M. Tenison (19/8/74 to 4/4/76)
B. Williamson (23/1/75 to 11/6/76)
L. Wirun (5/4/76 to July 76)
K. Wood (25/10/74 to 23/3/75)
M. York (26/8/74 to July 76)

Research Section

Director—G. N. Hawker (19/8/74 to 30/6/76)

J. Anderson (2/12/74 to 27/4/76)
M. Blood (21/3/75 to 16/3/76)
C. Busch (11/8/75 to 28/3/76)

P. Clayton (31/10/74 to 29/10/75)
A. Cameron (11/11/74 to July 76)
B. Carey (25/11/74 to 20/2/76)
M. Cass (3/10/74 to 25/6/76)
H. Dent (14/11/74 to 9/4/76)
A. Dobell (24/2/75 to 19/9/75)
S. Ellims (2/6/75 to 12/9/75)
V. Fanning (22/8/74 to 22/1/75)
J. Farrow (10/3/75 to 27/1/76)
M. Forrest (2/12/74 to 31/1/75)
G. Fry (2/12/74 to 31/1/75)
C. Fox (5/2/75 to 11/6/76)
B. Goodhew (20/1/75 to 15/5/75)
P. Grundy (17/3/75 to 24/9/75)
S. Hamilton (10/3/75 to July 76)
S. A. Hamilton (2/1/76 to July 76)
C. Hackett (10/3/75 to 2/10/75)
J. Hodges (21/1/75 to 19/3/75)
T. Hundloe (10/12/74 to 16/3/75)
M. Kemppi (12/2/75 to 2/3/76)
T. Knox (18/2/75 to 26/3/76)
W. Klekner (2/12/74 to 30/5/75)
L. Lardelli (24/11/75 to 6/2/76)
S. Jamison (10/3/75 to 12/9/76)
J. D. McMillan (29/9/75 to 12/1/76)
A. Millbank (12/2/75 to 12/3/75)
J. Millbank (3/2/75 to 22/5/75)
E. O'Keeffe (16/1/75 to 16/6/76)
S. Prasser (9/12/74 to 24/1/75)
C. Poll (24/2/75 to 21/3/75)
F. Roberts (10/3/75 to 10/8/75)
M. Roberts (30/9/74 to 30/11/75)
P. Saul (24/2/75 to 11/2/76)
P. Sellers (5/3/75 to 1/12/75)
G. Thompson (10/3/75 to 1/4/75)
L. Tilley (9/12/74 to 31/1/75)

Special Adviser's Office

Special Adviser—P. Wilenski (1/8/74 to 26/12/74)
T. M. Fitzgerald (10/2/75 to July 76)

A. Carson (29/7/74 to 15/5/75)
P. Gross (21/7/75 to 11/12/75)
A. Latham (3/3/75 to 17/6/76)
A. Marchant (10/2/75 to 7/6/76)
J. R. Nethercote (5/8/74 to July 76)
D. Nimmo (6/12/74 to 21/2/75)

Community Relations Section

Adviser—M. Bourke (17/10/74 to 26/9/75)

R. Francis (28/11/74 to 22/3/76)
J. Hilvert (30/9/74 to 30/4/76)
J. King (24/3/75 to 17/6/76)

CONSULTANTS

In the course of the Commission's inquiries it commissioned some fifty consultancy projects. Consultants and the subject matter on which they were required to report are listed below.

Consultants (*Listed in alphabetical order*)	*Subject*
Australian Council of Social Service	ParticipACTION
Allen, G.	The Press and the Public Service
Antill, Dr J. K.	Selection Procedures in the Australian Public Service
Bensley, D. and Associates	Access project
Bilney, E.	Co-ordinating Bodies—references to in submissions
Brotherhood of St Laurence	Family Centre Project
Burton, M. P. and McBroom, I.	Users View of the Development Aspect of Training
Byrt, W. J.	Promotion Appeal Practices
Centre for Continuing Education, ANU	Lifelong and Recurrent Education in the APS
Centre for Urban Research and Action	Evaluation of NOW Project
Colebatch, Dr H.	Ringwood (later NOW) Project
Conlon, Dr T.	Analysis and report on submissions on areas of science in the APS
Cooke, E.	Access—Methods of Observations
Cox, E.	Career Service Survey—Questionnaire design
Cruickshank & Partners Pty Ltd	Registry procedures
Cutt, Prof. J.	Program Budgeting in the APS
Emy, Dr H. V.	The Public Service and Political Control: The Problem of Accountability
Encel, Prof. S.	Career Service—General Consultant
Encel, Prof. S.	Research within the Australian Public Service
Griffiths, D.	Autocracy in the Airwaves
Hughes, Prof. C. A.	Ministers and Departments
Jones, B. F.	Position Classification
Jones, M. A.	IDC Case Study and Discussion paper
Kasper, Dr W.	Co-ordination of Economic Policy
Knight, Prof. K.	Information for Members of Parliament
Kondos, Dr A.	Career Service Survey
Lansbury, Dr R.	Staff Appraisal
Matthews, Dr T. V.	IDC Case Study
Matthews, Dr T. V.	Interest Group Access to the Australian Government Bureaucracy
Melbourne University Industrial Relations Program	Categories of Employment
Painter, Dr M.	IDC Case Study
Ragg, Dr B.	Career Service—ADP Methods
Rowley, Prof. C. D.	Aboriginal Administration
Schaffer, Dr B. B.	General Consultant/Access
Scott, A. J.	Handicapped Employees in Australian Government Administration

Scott, W. D. & Co.	A Pilot Study on Comparative Decision Making
Sharp, Dr I. G.	Conditions of Overseas Service
Smith, Dr R. F. I.	Ministerial Advisers
Smith, Dr R. F. I.	Australian Cabinet Structures and Procedures
Smith, Dr R. F. I. (*with* Weller, Dr P.)	Cases in Policy Formulation
Smith, Dr T.	Non-statutory Bodies
Spann, Prof. R. N.	Permanent Heads
Terry, G. J. (*with* Weller, Dr P.)	Treasury Control of Federal Government Expenditure
Van Munster, R.	Administrative Arrangements Orders
Wainwright, J.	Career Service—ADP Methods
Wallace, Prof. C.	ADP Services in Government
Weller, Dr P.	Parliamentary Committees
Weller, Dr P. (*with* Smith, Dr R. F. I.)	Cases in Policy Formulation
Weller, Dr P. (*with* Terry, G. J.)	Treasury Control
Wettenhall, Dr R. L.	Statutory Bodies
Williams, Dr T. A.	Management Training
Wiltshire, Dr K.	Staff Ceilings and Manpower Planning

TASK FORCES, ADVISORY BODIES AND OTHER WORKING GROUPS

During the course of its work the Commission established task forces to examine specific aspects of government administration. Each task force worked to a Commissioner who reported its findings to the Commission. Details of each task force are set out below. Additionally, the Commission invited key unions with significant Public Service representation, and members of the business community, to participate in the process of defining issues for consideration and recommendation. Two committees, the Trade Union Advisory Committee, and the Business Advisory Committee, were set up and details of these are also set out below. Similar information in respect of less formal working groups and seminars conducted during the life of the Commission is also included.

Task Force on Science

Commissioner: Dr H. C. Coombs.

Co-ordinator: Dr J. R. Philip, Environmental Mechanics Division, Commonwealth Scientific and Industrial Research Organisation.

Members: Professor R. Hanbury Brown, F.A.A., F.R.S., School of Physics, University of Sydney;
Emeritus Professor C. M. Donald, F.A.A., Waite Agricultural Institute;
Professor R. Porter, F.A.A., Department of Physiology, Monash University;
Dr R. G. Ward, Broken Hill Proprietary Company Ltd;
Mr G. B. Gresford, Scientific Adviser, Department of Foreign Affairs;
Mr F. J. Lehany, Director, National Measurement Laboratory;
Mr L. G. Peres, University of Melbourne.

Secretary: Dr T. J. Conlon.

Task Force on Efficiency

Commissioner: Mr P. R. Munro.

Consultant/
Co-ordinator: Professor Gerald Caiden, University of California.

Members: Mr T. M. Fitzgerald, Special Adviser to the Commission;
Mr D. M. Martin, Management Consultant;
Mr J. R. Nethercote acted as deputy to Mr Fitzgerald;
Mr P. Austen, Royal Commission Staff was attached following the withdrawal of Mr Martin.

Secretary: Ms D. Shogren, Royal Commission Staff.

Task Force on Health—Welfare

Commissioner: Professor Enid Campbell.

Members: Mr J. D. Enfield, Department of the Prime Minister and Cabinet;
Mr P. Gross, Hospitals and Health Services Commission;
Mr M. Court, Department of Community Welfare, South Australia.

Task Force on Regionalisation

Commissioner: Mr P. H. Bailey.

Members: Mr W. P. Butler, Department of Environment, Housing and Community Development;
Mr A. T. Griffith, Department of the Prime Minister and Cabinet;
Mr N. J. Attwood, then Public Service Board;
Mr J. D. Hall, Social Welfare Commission;
Mr M. Bourke, Royal Commission Staff;

Mr S. A. Huntley, Auditor-General's Office.

Executive Officer: Mr W. H. McMillan, Royal Commission Staff.

Attached:
Mr G. Sanderson, Regional Co-ordinator (Northern), Department of the Co-ordinator-General, Queensland;
Mr R. A. Hamilton, Director, Office of the North-West, Western Australia;
Mr G. M. Loveday, Department of the Northern Territory, Alice Springs.

Task Force on Economic Policy

Commissioner: Dr J. E. Isaac.

Members:
Professor S. Harris, Australian National University;
Dr R. G. Gregory, Industries Assistance Commission;
Mr I. Castles, Department of the Prime Minister and Cabinet.

Executive Officer: Mr R. Petch, Chairman's Personal Staff.

Attached:
Mr M. J. McNamara, Department of the Prime Minister and Cabinet;
Mr A. A. Bain, Department of the Prime Minister and Cabinet.

Trade Union Advisory Committee

Members:

Mr K. Turbet Mr N. J. Campbell Mr W. J. Smith Mr V. B. McMullan	Representing the Council of Australian Government Employee Organisations
Mr D. Cameron	Council of Professional Associations
Mr E. Benjamin	Australian Council of Salaried and Professional Associations
Mr B. Kelty Mr L. Himan	Australian Council of Trade Unions

Business Advisory Committee

Members:
Mr A. W. Hamer, I.C.I. Australia Ltd;
Mr D. J. Hibberd, Comalco Ltd;
Mr H. McE. Scambler, former Managing Director, A.N.Z. Banking Group Ltd;
Mr A. F. Deer, M.L.C. Ltd;
Mr K. C. Gale, Gollin and Co. Ltd;
Dr B. W. Scott, W. D. Scott and Co. Pty Ltd.

Working Group on Aboriginalisation

Members:
Mr L. J. Malone, Department of Aboriginal Affairs;
Dr P. McLaren, International Training Institute;
Mr W. C. Dix, Australian Institute of Aboriginal Studies;
Mr J. Davis, Aboriginal Publications Foundation;
Dr M. Brandl, Education Department, Darwin;
Ms L. Sligar, Public Service Board.

The group also had the services of Ms R. Tippaloura and Mr R. Wyart of the Department of Labour, Darwin.

Discussion Groups and Seminars

As part of its information gathering process the Commission sought the views of a wide cross section of informal opinion in order to identify issues of major concern. Informal discussions took place over a period of some months between the Commission and groups

drawn from various levels of the Australian Public Service including permanent heads both past and present, statutory authorities, academics, the business community, and the Parliament. Seminars arranged by the Commission included such topics as systems, accountability, freedom of information, data processing, economic policy and regionalisation. The Commission gratefully acknowledges the interest and support of all those who participated in the various discussions.

Public Meetings

During its program of public hearings the Commission sought expressions of public opinion at a series of public meetings held in each of the centres it visited. The meetings attracted a wide cross section of community interests and once again the Commission acknowledges the support and assistance provided by those who attended.

APPENDIX VOLUMES

The Appendixes to the Commission's Report are contained in a further four volumes (Appendix Volumes One to Four). The order of material in those volumes generally follows that of the chapters in the Report itself, although an attempt has been made to give each one a coherence of its own.

The contents of Appendix Volumes One to Four are as follows:

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5. Response by the Public Service Board
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1.M CHANGES IN ADMINISTRATIVE ARRANGEMENTS—CONSULTANT'S REPORT
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4. (a) The Administrative Appeals Tribunal Act 1975
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6. Open Government in the Department of Social Security

2.C ACCESS TO GOVERNMENT SERVICES
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3. Retail Government Services Project
4. NOW Progress to 1 August 1975
5. The Public Meeting, 8 August 1975
6. Open Letter from the Chairman of the Royal Commission to the NOW Team
7. Interim Policy Committee First Chairman's Report, March 1976
8. Brief Impressions on the First Seven Months at NOW
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2.G RELATIONS BETWEEN THE COMMONWEALTH AND STATE GOVERNMENTS
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4. Off-shore Petroleum Resources
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3. Promotion: The Unofficial Views
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5. Job Satisfaction in the Australian Public Service
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7. Merit and the Public Service
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8. Birds of a Feather in Foreign Affairs
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2. The Selection of Graduates—The Graduate Selection Test (GST)
3. The Selection of Clerical Assistants—The Clerical Assistant Test (CAT)
4. The Selection of Computer Systems Officers (CSO)
5. The Selection of Court Reporters (CR)
6. The Selection of Foreign Affairs Trainees (FA)
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3.C SALARY CLASSIFICATION—CONSULTANT'S REPORT
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Summary of Results
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2. The Users' Survey
The Users' View of Training—Consultant's Report
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3. Management Training
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Overview and Recommendations
4. Lifelong Learning or Recurrent Education
Lifelong and Recurrent Education and the Australian Public Service—Consultant's Report
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3.G THE ADMINISTRATION OF THE COURTS

3.H THE HANDICAPPED
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3.I ABORIGINALS AND THE ADMINISTRATION—CONSULTANT'S REPORT
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3.L CHANGING ORGANISATIONS
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2. The Function of Prescribed Rights and Procedures Relating to Personnel Management
3. Grievance Processes as a Means of Insight to Management Practice and the Employment Relationship
4. Examination of Grievance Processes: Defects Observed
5. Statutory Enactment of Public Employment Rights and Obligations
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3. Improving Information Inputs to Policy Advice and Co-ordination

4.B SCIENCE AND GOVERNMENT
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4.C TASK FORCE ON HEALTH AND WELFARE

4.D INFORMATION SERVICES
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4.E FINANCIAL ADMINISTRATION
1. Treasury's Role in Management and Control of Public Expenditure
   Annex A: Information for Expenditure Management Purposes
   Annex B: Civil Works Program
2. Financial Administration—An Overview
   A. General Comments
   B. General Treasury Comment
   C. Specific Comments and Treasury Responses
3. Developments in Financial Administration during the Life of the Royal Commission
4. The Treasury: An Alternative Approach
5. Treasury Control of Federal Government Expenditure in Australia—Consultant's Report
   Terms of Reference
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   The Treasury: Structure and Functions
   Treasury Control of Administrative Expenditure
   Treasury Control: An Overview
   Problems of Bureaucratic Structure
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4.F THE AUDITOR-GENERAL
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   A. The Purposes, Functions and Organisation of the Auditor-General's Office
   B. An Examination of Proposals for Extending the Role and Activities of the Auditor-General
2. Comments on Efficiency Audits
3. The Roles of the Auditor-General in Efficiency and Program Auditing
4. The United States General Accounting Office
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4.G AUSTRALIAN CABINET STRUCTURE AND PROCEDURES—CONSULTANT'S REPORT
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Cabinet Procedures
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4.H THE DEPARTMENT OF THE PRIME MINISTER AND CABINET—HISTORICAL NOTE

4.I THE PUBLIC SERVICE BOARD
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2. Personnel Administration in Australian Government Service
   Extracts from Public Service Board Response

3. Efficiency in Government—The Role of the Public Service Board
Extract from Public Service Board Comment
4. The Board's Establishment Function
Public Service Board Comment
5. Material Submitted to the Royal Commission by the Public Service Board
6. The Central Personnel Authority in Australian Government—Historical Note
7. Objectives, Functions and Organisation of the Public Service Board's Central Office

4.J INTERDEPARTMENTAL COMMITTEES
Introduction
Case Studies
1. IDC on Japan (1970–71)—Consultant's Report
2. Standing IDC on Japan (1971–74)—Consultant's Report
3. IDC on the Treaty of NARA—Consultant's Report
4. IDC on Overlap in Australian Government Grants to Local Bodies
5. IDC on Location of Australian Government Employment
Summary of Conclusions
Recommendations

4.K THE ROYAL COMMISSIONS ACT
Introductory Paper
Legislation for Inquiries
Procedures
Staffing and Financing a Royal Commission
Royal Commissions Act 1902–1966

THE COLLECTED PAPERS OF THE ROYAL COMMISSION

The Collected Papers of the Royal Commission have been placed on microfiche and will be available for sale. The categories of papers available are listed below:

1. *Submissions* made to the Royal Commission (a complete list of submissions can be found elsewhere in this Volume). Confidential Submissions have been excluded.

2. *Commission Documents*. These are papers circulated within the Commission during its working life. They include correspondence from outside bodies, research work-in-progress reports, internal memoranda and other documents of special interest to the Commission during its working life. Confidential Commission Documents have been excluded from the microfiche.

3. *Research Papers* of the Commission, including consultant and staff reports. A list of these papers appears below. That list does not include—

Special Collections. These are a sub-group of research papers, bringing together material on closely related topics, including:

- Task Force Reports
- Papers on the North-West One-Stop Welfare (NOW) Centre, Coburg, Victoria
- Interdepartmental Committee Case Studies
- Career Service Survey papers
- Public Service Board Material submitted to the Royal Commission

Transcripts of public hearings have *not* been microfiched, for copyright reasons. A complete list of witnesses appears elsewhere in this Volume.

Research Papers of the Royal Commission

Ministers and the Administration

- Emy, H. V.: The Public Service and Political Control
- Spann, R. N.: Permanent Heads
- Campbell, E. M.: Ministers and Permanent Heads
- Campbell, E. M.: Ministerial Arrangements Under the Constitution of the Commonwealth of Australia
- Hughes, C. A.: Ministers and Departments
- Smith, R. F. I.: Ministerial Advisers
- Roberts, M.: Ministerial Advisers: A Background Paper
- Smith, R. F. I. & P. M. Weller: Cases in Policy Formulation

Parliament and the Administration

- Knight, K. W.: Parliamentarians and the Public Service
- Gross, P. F.: Responsibility, Responsiveness and Accountability
- Gross, P. F.: The Audit Function, Parliament and Government Efficiency
- Weller, P. M.: Public Servants and the Briefing of Party Committees

Statutory and Non-Statutory Bodies

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- Wettenhall, R. L.: Report on the Statutory Authorities Project
- Fry, G.: Non-Statutory Bodies—A Preliminary Paper
- Smith, T. B.: Non-Statutory Bodies in Australian Government
- Carey, B. & M. Roberts: Classification of Australian Government Departments
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- Campbell, E. M.: Royal Commissions Act, 1902–1966: A Case for Reform

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- Australian Council of Social Service: ParticipACTION Report
- Hilvert, J. & J. King: Administrative Responsiveness Survey
- The Family Centre: Claimants or Clients?
- Campbell, E. M.: Administrative Law Reform
- Campbell, E. M.: Ombudsman Bill and Administrative Appeals Tribunal
- Campbell, E. M.: Government Funding of Private Service Organisations
- O'Keeffe, E. M., S. A. Hamilton & L. Lardelli: Access Survey Report—Problems of Individual Access to Five Government Services
- Matthews, T. V.: Interest Group Access to the Australian Government Bureaucracy

The Media

- Griffiths, D.: Autocracy in the Airwaves
- Allen, G.: The Press and the Public Service

Decentralised Administration

- Regionalising Government Administration (Discussion Paper No. 1)
- Dent, H. R.: Delegations in the Australian Public Service
- Hamilton, S. M. & G. N. HAwker: The Location of Australian Government Employees (Restructuring Employment Opportunities)

Training in the Australian Public Service

- Farrow, J. & I. McBroom: Results of the Census on Training and Related Matters
- Burton, M. P. & I. McBroom: The Users' View of Training
- Sellers, P.: Training or the Development of Human Resources
- Williams, T. A.: Management Training
- Sellers, P.: Management Education—A New Approach
- Centre for Continuing Education (ANU): Lifelong and Recurrent Education and the Australian Public Service

Organisation Development in the Australian Public Service

- Scott, W. D. & Co.: Comparison of 'Organisational Climate' in the Public and Private Sectors
- Saul, P.: O.D. or Not O.D.? That is the Question

Staffing the Administration

- Wiltshire, K.: Manpower Planning
- Wiltshire, K.: Staff Ceilings
- Jones, B. F.: Salary Classification in the Australian Public Service
- Cupper, L. G. & K. W. Hince: Categories of Employment and Terms and Conditions of Employment in the Australian Public Service and Selected Statutory Authorities
- Lansbury, R.: Staff Appraisal
- Byrt, W. J.: Australian Public Service Promotions Appeal Committee System
- Administrative Skills Task Force: Fourth Class Servants of the Public Service
- Encel, S.: Research in the Australian Public Service
- Austen, P.: Organisational Objectives in Australian Government Administration
- Sellers, P.: Objectives and Australian Government Administration
- Sharp, I. G.: Overseas Service
- Scott, A. J.: The Employment of Handicapped People in the Australian Public Service

Policy Formulation—Special Groups

- Kasper, Prof. W.: Formation and Co-ordination of Economic Policy (Discussion Paper No. 2)
- Conlon, T.: Science Submissions
- Conlon, T.: Science in Government
- Gross, P. F.: The Health-Welfare System: A Rationale for Change in the Delivery of Welfare Services
- Gross, P. F.: Policy Making and Policy Implementation for Human Services
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- Rowley, C. D.: The Administration of Aboriginal Affairs
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- Forrest, M.: Co-ordination—Some Background Material
- Esler, P.: Co-ordination
- Carey, P. B., H. Craig & P. Esler: Co-ordination and Control in Australian Public Service
- Smith, Dr R. F. I.: Australian Cabinet Structure and Procedures: The Labor Government 1972–1975
- Terry, G. J. & Dr P. M. Weller: Treasury Control of Federal Government Expenditure in Australia
- Cutt, Prof J.: Program Budgeting in the Australian Public Service
- Bilney, E.: Treasury and Public Service Board Controls—Criticisms and Recommendations
- Van Munster, R.: Changes in Administrative Arrangements and their Implementation

- Blood, M., B. Carey & J. Millbank: Interdepartmental Committees in the Australian Public Service
- Dent, H. R.: Purchasing of Goods and Services in Australian Government Departments and Agencies
- Campbell, E. M.: Australian Government Contracts

Information Services

- Bourke, M. & J. Hilvert: Government Administration and Public Information
- Cruickshank & Partners: Registries
- Wallace, C. S.: ADP Services in Government
- Clayton, P.: ALBIS—A Progress Report
- Clayton, P.: Australian Government Publications
- Heydon, K. W.: Public Sector Management and Related Information Requirements

PREVIOUSLY PUBLISHED MATERIAL

The following material was published by the Commission in the course of its inquiries.

Discussion Papers

1. Regionalising Government Administration
2. Formation and Co-ordination of Economic Policy
3. Sexism in Public Service
4. Salary Classification in the Australian Public Service

Task Force Papers

Report of the Science Task Force: Towards Diversity and Adaptability

Report of the Task Force on Regional Administration: A Regional Basis for Australian Government Administration (2 volumes)

Working Paper of the Task Force on Efficiency: Towards a More Efficient Government Administration

Report of the Task Force on Economic Policy: The Processes of Economic Policy Making in Australia

Report of the Task Force on Health and Welfare: Towards Rational Administrative Structures for Health and Welfare Services in Australia


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