

Politicisation of the Australian Public Service: Social and Environmental Issues

by

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DECLARATION

I declare that this dissertation contains no material which has been accepted for the award of any other higher degree or graduate diploma in any institution and that, to the best of my knowledge and belief, this dissertation contains no material previously published or written by another person, except where due reference is made in the text of the dissertation.

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STATEMENT OF ETHICAL CONDUCT

The research associated with this thesis abides by the international and Australian codes on human and animal experimentation, the guidelines by the Australian Government's Office of the Gene Technology Regulator and the rulings of the Safety, Ethics and Institutional Biosafety Committees of the University.

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Abstract

The expectation that the Australian Public Service (APS) is an ethical, values-driven institution providing impartial advice to ministers while acting in the public interest is enduring, and under a Westminster framework is fundamental to democracy. However, a more politicised public service resulting from public service reforms has challenged this notion in practice.

While the principles and functions of the APS have been clearly set out in the Public Service Act and the Public Service Values, the informal concept of 'frank and fearless advice' is still regarded as a powerful term of reference by public servants and the general public. However, during the Howard government's term of office between 1996-2007, several incidents that generated claims of politicisation raised concerns about the lack of frank and fearless policy advice expressed in practice by the APS. Public sector reform undertaken since the 1970s has had a crucial impact on the way the public service is structured, and therefore has had a significant impact on the policy-making role of the APS and the ability of the public service to solve or even manage wicked problems such as social and environmental issues.

The primary aim of this thesis is to gain some insight into the concept of the politicisation of the APS in order to identify its effect on social and environmental issues. From an historical institutionalist perspective, and using critical analysis with interviews as secondary research, this thesis focuses on the possibility of the politicisation of public service advice for wicked problems

such as social and environmental issues that were often placed as secondary to the focus of the Howard government on economic and security issues.

Two case studies have been analysed in this thesis; poverty as a social issue and water as an environmental issue. It is concluded that an enduring problem with both poverty and water are political priorities, which are difficult to change. Notwithstanding political considerations, the necessity for an apolitical public service is essential in contemporary Australia in order to ensure the public interest, equity and continued democracy when providing policy advice to government.

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List of acronyms

ABC	Australian Broadcasting Commission
ACOSS	Australian Council of Social Services
AIFS	Australian Institute of Family Studies
APS	Australian Public Service
APSC	Australian Public Service Commission
CIS	Centre for Independent Studies
COAG	Council of Australian Governments
COAG	Council of Australian Governments
CPD	Commonwealth Parliamentary Debates
DEH	Department of Environment and Heritage
DIMIA	Department of Immigration, Multicultural and Indigenous Affairs
EMTRs	Effective Marginal Tax Rates
ESD	Environmentally Sustainable Development
F&PA	Senate Finance and Public Administration Committees
FaCS	Family and Community Services
FOI	Freedom of Information
HECS	Higher Education Contribution Scheme
MAB	Management Advisory Board
MDB	Murray-Darling Basin
MDBC	Murray-Darling Basin Commission
MDBMC	Murray-Darling Basin Ministerial Council
NFPOs	Not for Profit Organisations
NGOs	Non-Government Organisations

NHMRC	National Health and Medical Research Centre
NHT	National Heritage Trust
NPM	New Public Management
NWI	National Water Initiative
PM	Prime Minister
PSA	Public Service Act
PSB	Public Service Board
PSCr	Public Service Commissioner
PSMPC	Public Service and Merit Protection Commission
RCAGA	Royal Commission on Australian Government Administration
SES	Senior Executive Service
SRHES	Snowy River Hydro-Electric Scheme

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Chapter 1: Introduction

Debates about the independence and impartiality of the Australian Public Service (APS) have existed since Federation. The public service is in a state of constant tension with arguments that impartiality and independence are essential to democracy, yet ministers expect that public servants should be responsive to their demands. At times throughout its history, the APS has been too independent from government and at other times too politicised or too responsive to government.

While debates about the politicisation of the APS have existed since its inception in 1901, contemporary criticisms focussed on the role played by the APS amongst others in several important incidents. Whether politicisation is more common in contemporary Australia is a matter for conjecture. Certainly, claims of politicisation were made more often when the Howard government held office from 1996-2007 than previously, yet the importance of these claims is contested.

This thesis argues that politicisation is an important issue in the context of policy making because the public service has a role unequalled by other actors providing policy advice to government. Traditionally, Australians expect that the public service is impartial, it has no obvious interests to promote and its values set out the importance of process in fair and just decision-making. The success of the APS relies on its reputation as an entity that provides apolitical,

impartial and professional advice to ministers, and is able to serve successive governments with equal loyalty.

Providing policy advice and implementing government policies are two of the primary roles of the APS that require it to be apolitical. An apolitical public service means that the APS develops policy and undertakes research into issues that transcend the political cycle. Compliance with this expectation means that the APS operates independently from the political party system and public servants disregard their own political opinions to provide neutral, relevant and productive advice to ministers. The implementation and administration of policies is undertaken impartially, which means the critical assessment of evidence to enable the provision of balanced and unbiased advice. Politicisation claims made while the Howard government held office have questioned the reduced impartiality of APS advice because of the political desire for increased responsiveness to ministers. In particular, these claims focussed on the perception structural reforms to the APS undertaken since the 1970s to make it more responsive to ministers have politicised the APS.

Politicisation is an essentially contested concept. The analysis of three politicisation claims undertaken in this thesis has enabled the identification of their relationship to significant public sector reform undertaken since the 1970s. One of the aims of the reforms was to change the actual structure of the APS from an institution based on an administrative model to one that reflects business or management principles. In the context of policymaking, these changes would provide more effective solutions to wicked problems than

previous approaches. However, the following analysis of the case studies of poverty and water suggests that new public management principles (NPM), including the market as the policy instrument of choice, put into place as part of a wide range of structural reforms to gain greater responsiveness from the public service, has been less effective than theorised when addressing wicked problems. One crucial factor identified is that the APS has always operated in a political environment where governments allocate public money according to political preference.

This thesis initially sets out the importance of the APS in its historical context, and examines the Public Service Act and the Public Service Values in order to obtain some background material into the principles and functions of the APS. From this examination, three primary concepts make a professional public service; to ensure the public interest through due process; to provide advice that is impartial and apolitical; and to guarantee an ethical public service through the codification of the APS Values.

The analysis of three contemporary incidents identifies several definitions of politicisation. These are partisan appointments, prime ministerial power, NPM principles, contested advice, recordkeeping practices, and culture. Further analysis identifies that these definitions are inextricably linked to major public sector reforms to the public service made since the 1970s, becoming highly accelerated under the Howard Liberal government.

Social and environmental issues are the focus of this thesis because they are complex or ‘wicked’ problems that have arguably become more difficult to solve by the implementation of reforms to change the structure of the APS and make it more responsive to ministers. Public service reform in the 1970s onwards have had the most significant impact on social and environmental issues when the requirements needed to address wicked problems are determined. While reforms have been beneficial in some ways, in others the structural changes in the APS has meant that they have made it increasingly difficult to have significant positive impacts on social and environmental issues.

This thesis looks at politicisation through an historical institutionalist perspective because historical decisions, informal conventions, formal rules, ideology, ideas, institutions and actors each play a significant part in debates about politicisation of the APS. The following discussion identifies the benefits and limitations of old institutionalism, rational choice theories and new institutionalism resulting in the conclusion that historical institutionalism is the most useful theoretical perspective in this analysis of the politicisation of the APS.

1.1 Theoretical perspectives

Theories are useful in political analysis because they provide a structure for concepts and issues. However, while using a particular theoretical perspective offers an organised interpretation of empirical information; most theories contain inherent principles or assumptions. This is because theories are usually

impacted on by ‘values and normative beliefs’ and encompass a range of ‘biases’, which means that they are difficult to define as entirely empirical (Heywood 2007: 20). It is also important to recognise that theories are merely analytical tools, often more lucid and rational than the situations they are used to illustrate (Heywood 2007: 22).

Theories are helpful in political science because they allow a certain way of looking at the world, and while no theory is more ‘right’ than any other, each is legitimate in its estimation of the situation within its chosen parameters. This thesis could have used a rational choice perspective such as agency theory for example when analysing the concept of the politicisation of the APS and its effect on the development of social and environmental policy. Politicisation arguments when the minister/bureaucrat relationship is problematic often use agency theory.

Using agency theory, public servants and ministers have a relationship that promotes their own interests. Other rational choice perspectives attempt to address policy issues such as poverty and water to change people’s behaviour. While these approaches are useful, they do not recognise the importance of formal institutions such as the Values of the Australian Public Service or informal conventions such as ‘frank and fearless’ advice in structuring behaviour. In the context of social and environmental issues, rational choice perspectives are limited because structural constraints over which individuals have little control shape individual behaviour.

It is also feasible to analyse politicisation through an institutionalist lens by utilising ‘old’ institutionalism, which regards institutions such as rules and regulations as important structuring factors in the minister/bureaucrat relationship. This perspective is useful for some allegations of politicisation, however claims made during the Howard government’s term of office encompassed a much wider range of claims than may be understood using either agency theory or old institutionalism. The following discussion identifies that a form of ‘new’ institutionalism called historical institutionalism is a particularly useful framework when analysing politicisation of the APS especially with reference to policy making in the selected social and environmental issue areas. While it is acknowledged that institutionalism cannot wholly explain public policy, with the advent of new institutionalist perspectives there has been a renewed focus on both formal and informal concepts of institutions as structural factors in their own right; for example, from ideology and ideas. To show the path followed to reach this point, a short historical analysis identifies the importance of recognising not only the benefits of adopting a certain perspective, but also its limitations when set against certain issue areas.

‘Old’ institutionalism is one of the primary approaches to political analysis (Steinmo 1992 in Laffin 1997: 53); with state-centred theories of institutions used traditionally by political scientists (Rhodes 1997: 79). Old institutionalism is a middle-range theory that operates below the structuring factors of society such as class and gender, and above the individual actors involved (Pontussen 1995 in Bell 2002: 365). It has a descriptive rather than an analytical

methodology, and is a state-centred rather than a society-centred approach (March and Olsen 1984: 734). Proponents of old institutionalism understand the minister/bureaucrat relationship for example, as a role, set by organisational and historical processes rather than just individual interaction (Laffin 1997: 45); and argue that institutions are 'framework[s] within which human interaction takes place' (North 1990: 4).

Veblen (1994) broadly defines institutions as the routine practices of ideas common to most people including their habits, cultural characteristics and routinised behaviour (Veblen 1994: 239 in Vandenberg 2002: 220). Steinmo (2001) argues that institutions are:

...simply rules. As such, they are the foundation of all political behaviour. Some are formal (as in constitutional rules) some are informal (as in cultural norms) but without institutions there could be no organised politics (Steinmo 2001).

Definitions of institutions range from the formal arrangements of organisations, to repeated behaviour formed from roles, rules and scripts. Institutions are constraints formulated by people to achieve certain actions, a definition that encompasses formal rules as well as informal conventions and behaviour codes. Overall, institutions encompass not only the informal arrangements that result in voluntary cooperation, but also the formal rules and the regulatory measures used to obtain mandatory compliance. Compliance therefore, may be either voluntary or structured through monitoring and regulation (Bell 2002: 365). While these definitions demonstrate that institutions, in essence, may be regarded as merely a set of rules (Laffin 1997, Fenna 1998, March and Olsen 1989, Steinmo 2001, Reich 2000); they are important in political analysis

because they ‘shape and constrain’ the behaviours and decision making activities of the actors concerned (Bell 2002: 364).

Institutions structure or determine the actions, influence and policy goals of actors (Bell 2002, Laffin 1997); therefore, they have a significant impact on policymaking (Fenna 1998: 90) because political behaviour is set within an institutional framework of rules, procedures and conventions significantly constraining the notion of individual free choice and analysis (March and Olsen 1989: 6). Subsequently, when attempting to understand institutions, it is necessary to identify how the individuals and groups involved constrain and manipulate formal rules such as the APS Values and informal relationships (Bell 2002: 1, Fenna 1998: 90). Institutions have an important place in the construction of reality for both the individuals involved and those outside the institution, therefore outcomes are the result of the institution rather than merely that of individuals bargaining (March and Olsen 1989: 160). These institutional rules are not external constraints. They are internal guides on how individuals recognise and react to situations (March and Olsen 1989: 48).

Institutionalists ask ‘...how are the preferences of actors formed by their institutional, social and historical contexts?’ (Steinmo 1992 in Laffin 1997: 53). Old institutionalism for example, utilises legal and historical instruments to describe the constraints placed upon political behaviour (Rhodes 1997: 79). Using this perspective, political institutions contain normative elements or values, the most common being obtained from the British Westminster model of democratic government which consists of ‘...disciplined, programmatic

majority party government; parliamentary sovereignty; institutionalised opposition; a neutral career civil service; and cabinet government' (Rhodes 1997: 68).

Australia adopted the Westminster model when it achieved independence because the attributes of the Westminster system, such as gradual change resulting from evolution rather than political action, were superior to other systems characterised by disruption (Rhodes 1997: 68). A number of governments formulate and implement policy in Australia, therefore institutionalists identify that Australia's federal system means that the subsequent dispersal of power is a significant factor when analysing public policy using this perspective (Fenna 1998: 91).

Criticisms of the old institutionalist approach include the perception that it is too formal and restrictive; its focus on rules and regulations is too rigid; its nature is descriptive; and it lacks a theoretical base (Schmidt 2005; Bell 2002; Vandenberg 2002; Lowndes 2002; Reich 2000). Old institutionalism's focus on specific events in history also means that it is unable to explain the structure and behaviour of government. Its focus on legal methods is inadequate because of the gap between formal laws and actual government practice (Rhodes 1995: 49). These criticisms resulted in the rise of behaviouralist theories whose proponents argue that informal considerations such as individual choice are significant factors when analysing decision-making and the exercise of power; in other words, there are non-political determinants of

political behaviour which old institutionalism is unable to explain (March and Olsen 1984: 734, Rhodes 69).

When using a behaviouralist perspective to understand politicisation, the state is less important than individual behaviour as an independent cause of action, because rational self-interest motivates social and political actions (March and Olsen 1984: 734-8). Theories that promote self-interest and the individual over concepts such as ideas and social values include public choice theory, agency theory and game theory. These rational choice approaches have been widely accepted by analysts amid claims that they are ‘...the most theoretically developed and parsimonious models available’ (Laffin 1997: 46). A core factor of politicisation arguments using agency theory is that institutions have little influence on policy making because self-interest provides the basis of individual behaviour. Social and political phenomena are the result of ‘calculated decisions’ and behaviour is the result of rational choices (March and Olsen 1989: 6). Institutionalists however, consider that institutions have a significant effect on policymaking (Fenna 1998: 90), because political behaviour is set within an institutional framework of rules, procedures and conventions that significantly constrain the notions of individual free choice and analysis (March and Olsen 1989: 6).

The focus on individual self-interest has meant that public servants and ministers in politicisation arguments need to retain power: politicians to promote their own interests to increase their electoral standing, and public servants to promote their own interests to improve their work prospects (Laffin

1997: 46). By using a rational choice perspective such as agency theory, the assumption that the principals, or the ministers involved in conflict, know what they want is conjecture. Agency theorists also consider that the agent's or bureaucrat's job is to make the minister/bureaucrat relationship work, which is evidence of its master-servant bias. Most participants agree that ministers have to act responsibly for a successful relationship, and the idea that agents are motivated to act in ways that 'neglect and even frustrate the principal's intentions' is a cynical and arguable perception of human nature (Perrow 1986 in Laffin 1997: 47).

Therefore, despite being touted as having '...acquired considerable intellectual ascendancy over recent years' (Laffin 1997: 47), rational choice perspectives have not been universally accepted. They have been criticised regarding their potential to place too much emphasis on human rationality because they disregard the fact that people rarely have a coherent number of aims and seldom make choices based on complete and correct understanding. By constructing a theory on an 'abstract model of the individual' insufficient acknowledgement is given that the self interested nature of humans may not be innate, it may be 'socially conditioned' (Heywood 2007: 15,16).

Behaviouralist theories such as rational choice have also been criticised for limiting the scope of analysis to '...what was directly observable' with a particular criticism that the concepts of 'liberty, equality, justice and rights' for example are disregarded because they are not practical nor are they tangible things able to be proven. As a result, the adoption of this perspective has

enabled ‘a generation of political scientists to turn their backs upon the entire tradition of normative political thought’ (Heywood 2007: 15).

Nevertheless, politicisation debates tend towards rational choice perspectives in the analysis; that is the perception that public servants and ministers have a relationship that promotes their own interests. For example, politicisation debates using agency theory stress that ministers use contracts as a managerialist strategy to restrict the opportunities of bureaucrats, and this on the surface appears to be feasible. Ministers however, challenge this assertion. They emphasise the less formal side of the minister/bureaucrat relationship but do admit that contract employment is more a symbol of ministerial authority than is traditional permanency of tenure. Nevertheless, while agency theory is useful for understanding the political control of public administration, its concentration on the prevention of self-interested bureaucracy rather than effective leadership means that an artificial and limited view of bureaucratic compliance results (Laffin 1997: 48).

Therefore, rational choice perspectives have some merit in politicisation debates, however, a significant weakness is the neglect of the power of institutions when analysing the minister-bureaucrat relationship. The convention of responsibility and public perceptions reinforce the legitimate decision-making role held by ministers (Laffin 1997: 48), facts of which senior bureaucrats are well aware. An historically based analysis is also necessary in order to learn what individuals are attempting to maximise and why certain goals are emphasised over others (Laffin 1997: 53). These concerns have led to

the development of ‘new’ institutionalist theories as an attempt to find a more balanced alternative to both old institutionalism and behaviouralist theories.

1.1.1 New institutionalism

New institutionalist theories move away from ‘...the formal, structural aspects of institutions to, for instance, their significance within a larger context, their actual behaviour and the outcomes of the policy process’ (Heywood 2007: 17). Consequently, while the institutional approach may disregard ‘some potential participants, issues, viewpoints, or values’ (Schattschneider, 1960 in March and Olsen, 1984), there is still relevance in focusing on institutions when researching the APS because an institutional approach analyses institutions in action (March and Olsen 1984: 734).

Institutions therefore are a legitimate starting point for analysis, as they are significant factors in the political environment. This is because governance today occurs primarily through institutions composed of individuals who wield power and manage significant resources (Bell 2002: 364). Liberal democratic values such as notions of accountability, democracy, public administration, rights, ethics, freedom, participation, law, and transparency form the basis of governance in Australia, relating to interactions between institutions (Verspaandonk 2001). The fundamental idea behind the concept of governance is that rules bind public figures and the resources they control and the power they wield benefits the whole community. Good governance also encompasses the idea that the institutions that make up civil society such as the media, the

judiciary and professional organisations are important actors in strengthening a good governance framework (Verspaandonk 2001).

New institutionalists are interested in how institutions, history and society mould individual choices, arguing that the strategies used and the aims of individuals shape their institutional context (Steinmo et al 1992: 8). New institutionalism does not dispute the idea that actors behave strategically to gain desired outcomes, and is therefore compatible with rational choice theory. Agency theory for example is compatible with new institutionalism, which acknowledges that actors frequently act in a calculated manner. Nevertheless, this is less a factor of human behaviour than an example of people advocating the rules and precedents set up by institutions (Laffin 1997: 56). Therefore, individual behaviour ‘...cannot be understood without reference to the ‘institutions’ within which such behaviour occurs’ (Schmidt 2005: 3) that provide people with:

- opportunities and constraints;
- behavioural incentives and disincentives;
- sets of normative and ideational codes that shape behaviour and preferences; and
- Resources, including power resources (Bell 2002:5).

An institutionalist perspective challenges the argument proposed by agency theorists that the interests of individuals are rational, and that individual policy-makers have clear goals and clear strategies to achieve these goals (Laffin 1997: 52). This is because the behaviour of individuals is set in the context of

broad cultural values as well as the institutional values experienced from past and present rules that frame political activity (March and Olsen 1989: 22).

How individuals interpret events is also as important to the debate as how they react to them. Individuals in institutions rely on the guides supplied by the organisation rather than interpreting each decision separately. This means that a 'logic of appropriateness' rather than a 'logic of calculation' shapes people's behaviour, and that people within organisations look for the relevant set of guidelines to enable them to clarify new situations (March and Olsen 1989: 38 in Laffin 1997: 53).

To stress in practice how interests form, new institutionalism modifies the rational choice argument that individuals have explicit aims and clear strategies (Laffin 1997: 56). A framework of rules and routine behaviours institutionalises action, with past behaviour becoming institutional memory, which is readily available to people regardless of the lack of historical justification for the original decision. While these may be problematic when located within new situations, this framework of rules is maintained through trust in that there remains '....confidence that appropriate behaviour can be expected most of the time' (March and Olsen 1989: 38 in Laffin 1997: 53).

In the context of the minister-bureaucrat relationship, trust is not only a relationship between individuals; it exists under a broader institutional framework. Conventions make up this framework, which relates to behaviour that is conducive to trust. When analysing the public service, it is important

that meanings, ideas and assumptions particularly concerning policymaking are emphasised (Laffin 1997: 53, 56). A form of new institutionalism called historical institutionalism is helpful here.

Key principles of historical institutionalism

Historical institutionalism is ‘...decidedly eclectic, developing both normative and rational choice explanations of the relationship between institutions and action’ (Hall and Taylor 1996: 940). Historical institutionalism stresses the idea that social and political outcomes occur not only by structural factors such as class conflict, but also by institutions. Constraints on individual choice affect collective individual choices that form society (Laffin 1997: 52).

Ideas matter in historical institutionalist theory (Laffin 1997: 56), particularly in Australia when neoliberalist ideas stressed public sector reform with reference to the market. Ideas also play an important role in the concept of ‘ideological leverage’, a notion that encompasses the perception that new ministers have little control when first undertaking their positions. For example, ideas such as the neoliberalist idea of the market assist ministers by providing a framework for them to work within, such as the notion that a department is in a certain type of business (Bell 2002, Steinmo 2001, Laffin 1997). In the context of politicisation arguments where the relationship between minister and bureaucrat is problematic, ‘...these ideas have provided a potent corrective to ministers’ sense of dependency on professional bureaucrats’ (March and Olsen 1989 in Laffin 1997: 55).

Historical institutionalism tends to highlight the ‘embeddedness’ of institutions, because individuals are embedded in social, economic and political situations that are often beyond their control and understanding (Bell 2002: 6). The historical and evolutionary character of institutional design and change is also emphasised using this approach. Historical institutionalists use evolutionary models to explain how institutions change. These models enable the prediction of incremental change as well as specific events in which new ideas such as new public management become part of institutional design (Lowndes 2002).

Historical institutionalists also argue that decision makers take appropriate rather than calculated action, because political and social life is characterised by problems of understanding and uncertainty. Preferences and objectives are formed and reformed in an institutional context, which leads to understanding about the composition of social and political institutions. The approach also recognises patterns of cultural and historical development (Laffin 1997: 56).

In gauging its usefulness as a theoretical perspective when analysing claims of the politicisation of the APS, it is important to note that institutions are not the only significant variables for analysing political outcomes using historical institutionalism. Institutions are ‘structuring’ variables through which conflicts over ideas, interest and power are pursued. Institutions supply constraints and incentives to behaviour resulting in a structuring of activity (Steinmo 2001, Greif 1998, Bell, Rhodes, Laffin 1997). However, the impact of institutions on individual behaviour is not the only concern of historical institutionalists; they

are also interested in the interaction between individuals and institutions (Lowndes 2002: 91).

Historical decisions are important in policy areas, because they limit future policy choices (Hall 1986; King 1995; Pierson 1996). Historical institutionalism therefore, seeks to answer traditional questions such as ‘...who wins, who loses and why?’ (Steinmo: 2001); an important question when analysing social and environmental issues in this thesis, in which varying interest groups are stakeholders.

However, Peters (1996: 216) argues that historical institutionalism may result in ‘conceptual stretching’ in which it includes everything that affects individual behaviour, such as ‘implicit rules and vague understandings’, resulting in the fear that the theory may not be able to be challenged. Rothstein (1996: 145) argues that if the concept of institution ‘means everything, then it means nothing’. This fear may be addressed by Peter Hall’s (1986) concept ‘standard operating procedures’ in identifying the agreed rules of behaviour of agents whether explicit or implicit. Informal rules differ from habit; they are specific to political or governmental settings and actors recognise them (Lowndes 2002: 103).

This thesis has adopted an historical institutionalist framework to analyse the case studies because, with reference to the debates regarding politicisation during the Howard government’s term of office, historical decisions, informal conventions, formal rules, ideology, ideas, institutions and actors each play a

significant part in debates about politicisation of the APS. Therefore, by focussing on ideas, contract employment and loss of tenure with its subsequent effect on advice is identified. The increasing role of ministerial advisers and their lack of accountability is also identified because of the recognition of evolutionary change not just dramatic moments in history. The increasing power wielded by the Prime Minister and senior ministers may also be addressed from an historical institutionalist perspective by the recognition of evolutionary change and because institutions affect power, behaviour and policy preferences. The role of departmental culture in decision-making may also be identified because historical institutionalism recognises evolutionary change and its effect on culture. Using an historical institutionalist perspective informal conventions as well as formal rules which assists in understanding 'frank and fearless' advice and its role in political decision-making may also be addressed.

Historical institutionalism emphasises ideas such as the market and new public management. Historical factors of the case studies and politicisation are useful in attempting to understand not only politicisation and its evolution, but also why some issues are resistant to government intervention. This is because institutions provide rules, procedures and conventions that constrain and shape individual choice and behaviour. Traditional institutions such as the Westminster system of responsible government, federalism and the subsequent dispersal of power are particularly important in water as an environmental issue. It is also useful to examine past policy decisions because these have affected current policy decisions, sometimes because of unintended

consequences. An historical institutionalist approach also acknowledges the importance of informal conventions such as the provision of frank and fearless advice by the APS as well as formal institutions such as the legislation of the APS Values.

An historical analysis is important to identify past behaviour as institutional memory, therefore historical factors affecting the contemporary role of the APS follow in Chapter 2. Evolutionary models used by historical institutionalists are useful to attempt an explanation of the incremental reforms of the APS. They are also useful in identifying how these have shaped the contemporary public service. It is important to have an historical analysis in policy areas because early institutional choices that shape political priorities are important when trying to explain the success or failures of a specific approach to policy (Steinmo, 2001). This approach is particularly useful for social and environmental issues in which certain populations continue to experience advantages or become disadvantaged because of past decisions; and because of values and ideas and ideology such as Neoliberalism in the form of new public management and the market as the policy instrument of choice.

While historical institutionalism is a useful approach when looking at politicisation because of its recognition of both behavioural and institutional factors, this research is also interested in how this theory performs when attempting to understand social and environmental issues. Therefore, the case study chapters set out the policy approaches used by the Howard government when addressing the issues of poverty and water. An examination of the

changing and enduring nature of the APS follows in Chapter 2 while Chapter 3 explores the claims of politicisation identified from three incidents of alleged politicisation, and their connection to public service reforms.

1.2 Outline of thesis

1.2.1 Methods and Methodology

This thesis focuses upon the APS, and the claims of politicisation and the case studies selected concentrate upon the Howard Liberal Government's term of office from 1996-2007. Empirical incidents analysed by the media, political analysts and senior public servants such as former and incumbent Public Service Commissioners and Peter Shergold as the former Head of the Public Service drove these claims of politicisation. The analysis of three incidents generating politicisation claims has identified several contemporary perceptions of politicisation. Overall, the role of the APS in these incidents has subsequently affected its reputation as an apolitical, ethical public service acting within the public interest to ensure equity in the government's policies.

The concept of the politicisation of the APS has produced copious amounts of secondary data through the Internet, libraries, newspaper and electronic media sources, and this is easily accessible and useful when analysing current issues. Quantitative data in the form of published statistics clarifies some measurable points. It is recognised in this thesis that while quantitative data is useful when measuring the effect a policy has on a portion of the population (Epstein et al

1991: 102), the reliability and validity of official statistics is open to interpretation (Van Krieken et al 2000: 616).

Primary research gathered by open-ended interviews of senior public servants involved in policymaking was with the objective to obtain some empirical data from policy makers working in the APS under the Howard government. Interview questions focussed on the role of the APS, research, values and ethics, issue definition, freedom of information, the concept of politicisation, and broad social and environmental problems. Primary data does not form the basis of this thesis however; the interviews simply enrich the secondary research undertaken because the number of interviewees is not representative of the population. While an interview schedule was used, open-ended questions were asked, with probes to obtain clarification or elaboration of issues raised.

Ethics approval was obtained to recruit people using their public listed email addresses. Ten departments identified by the researcher from the Australian Government's website as dealing with social and environmental issues were contacted by email. These were asked to forward this email and the attached information sheet and consent form to individuals in their departments who provide the government with policy advice and research in social or environmental issues. Follow up emails were later sent reminding potential interviewees of the importance of politicisation to the reputation of the APS according to the Public Service Commissioner. Of the ten departments selected to deal with social and environmental issues, five public servants agreed to be interviewed. The possible collection of politically sensitive information was

not considered problematic by the interviewees or the researcher because of the transparency shown by the public service commissioner in her focus on politicisation.

Early research also identified the role that contested policy advice plays in claims of politicisation, and the popular perception among analysts that the Howard government had its preferred sources of advice. A number of non-government organisations produce research into social and environmental issues, and with the assistance of university staff, five of these groups were contacted. This recruitment drive occurred because of the perception that contracting government services to non-profit organisations under new public management principles in particular, actually limit their former advocacy role and constrain their advice because of the fear of contract loss. Unfortunately, no organisations agreed to interviews, so their perspectives do not present in this thesis.

The interviews undertaken with senior public servants consisted of four interviews composed of five interviewees, and these were conducted in APS departments and agencies situated in Canberra ACT in 2006. Two of the interviewees dealt with social policy, while the other three focussed on environmental issues. Two interviewees were present at the same interview. The interviews were audio taped using a tape recorder. Permission was obtained after assuring the interviewees of their anonymity and their ability to withdraw from the research if they wished.

Two case studies are analysed in this research into politicisation, poverty as a social issue, and water as an environmental issue. Empirical case studies have been used in contemporary research to support arguments that it is becoming increasingly difficult for public servants to provide ‘frank and fearless’ advice to ministers (Williams 2005, Weller 2002), therefore raising concerns about the ethical nature of the public service. Case studies are often criticised for focusing on individual incidents. However, they are useful because they allow comparisons. They do not just describe incidents; comparisons test theories and allow for generalisations (Fenna 1998: 81-82).

These types of issues are routine, mainstream problems. They are not usually high profile or on the agendas of governments except when there is a crisis such as reports highlighting child neglect or the effect of drought on water supplies for example. Poverty however, is a crucial concept in social policy, significant in many issue areas such as unemployment, health, housing, childcare and education. Water as an environmental issue is high profile resulting from environmental concerns voiced by the Howard government notwithstanding its multiple uses ranging from a basic right to life perspective to a market consumable. While poverty and water are not generally a focus of public policy unless there is a crisis, they are enduring or wicked issues. Wicked problems form a significant proportion of the APS’ duties in the context of policymaking and the provision of policy advice.

1.2.2 Chapter outline

Institutions are an important part of policy development and, in the context of policy advice, it is necessary to maintain an apolitical public service capable and willing to provide impartial advice on issues to ministers. Therefore, Chapter 2: the APS places the ideal of an apolitical public service in its historical context by examining the three major Public Service Acts since Federation in 1901, and the Public Service Values as part of the 1999 PSA to obtain some background material into the principles and functions of the APS. This chapter identifies some enduring principles of public service such as public interest and efficiency, and radical reforms since the 1970s implemented to change the culture and structure of the APS from an administration model to a management model. Discussion of the role of the APS in providing policy advice for wicked problems includes concepts such as the public interest, equity and ethics.

This discussion leads to the examination of politicisation claims in Chapter 3. In this chapter, three incidents enable some insight into what constitutes politicisation in current debate, concluding with several interpretations of the concept. A significant possibility reached in this chapter is that public service reforms have politicised the APS. The movement of an administration model to a NPM model has meant changes in the ways that the APS addresses wicked problems. This chapter further argues the significant limitations of a NPM approach and then moves on to an analysis of poverty in Chapter 4 and water in Chapter 5.

Chapter 6, the Discussion chapter attempts to identify the impact that politicisation claims regarding impartiality, responsiveness, and accountability have upon government approaches to the wicked problems of poverty and water.

Chapter 2: the Australian Public Service

2.1 Introduction

Based on the Westminster model of responsible government, the Australian government includes a public service that is in theory, apolitical, providing impartial policy advice to successive governments. The professional reputation of the APS as an ethical institution is therefore vital. Claims of politicisation have challenged this ideal in practice, and given rise to the perception that major reforms to improve the responsiveness of public servants have depleted its impartiality.

Arguments for reform included perceptions that the traditional public service was too process-driven, and it was too independent and rigid in its focus on rules and regulations. A neoliberalist approach focussing on market principles and the efficiency and effectiveness of the public service would serve the public interest because wicked problems would be able to be solved using market approaches.

Changes to the APS are inevitable, often through amending the Public Service Act (PSA). The most radical reforms were the adoption of a new public management approach to public service with the implementation of the 1999 PSA, which covered a departmentalised public service focussing on the NPM principles of flexibility, efficiency and responsiveness. Performance contracts, contestability of some aspects of the public service, devolution from central

control to individual agencies and outsourcing service delivery to the private and not for profit sectors has been undertaken.

To ensure an overall public service ethos in a departmentalised public service, the Values of the Australian Public Service are codified. However, the problem of balancing the two Values of impartiality and responsiveness, which in theory complement each other, is a constant challenge to the APS. The omission of the informal convention of ‘frank and fearless advice’ from the Values has also been perceived to have weakened the traditional notion of an APS fearlessly providing policy advice to ministers that is impartial, independent and apolitical.

Major reforms have challenged the traditional image of the career bureaucrat, because greater community input into policy has resulted in more contested policy advice subsequently giving rise to the concern the APS is over responsive to interest groups. The APS is also responsible for ensuring the public interest through due process. NPM principles that focus on results have challenged this traditional role and there is concern that this has compromised the goal of due process or the equitable treatment of citizens under a legislative framework.

The Australian Public Service is an institution that is an essential part of Australia’s system of government based on the Westminster model of responsible government. A Westminster framework means that the government of Australia includes an apolitical public service providing ‘disinterested,

impartial, and apolitical advice' to the government of the day, with merit-based recruitment of public servants (Briggs 2005). The APS is accountable for the implementation of public policies and the way that it manages public money. Therefore, its reputation as an ethical institution is vital. As one interviewee stated:

[W]e're essentially collecting Australian dollars from Australian citizens and we compel them through the tax system and others that they have to provide money for the operation of the government. So I think it's very important that you understand the way that money is properly used. Through the legislation, we compel Australian citizens that they have to do certain things and we should be accountable for exercising our decision-making processes in the right way.

The idea that the APS is an ethical, values driven institution providing impartial advice while acting in the public interest is enduring; nevertheless in practice, politicisation claims have challenged this notion.

The Westminster model has been instrumental in shaping the contemporary APS, encompassing the idea of a career service that is apolitical, with appointments to the APS based on merit. Incremental changes made to the APS from criticisms since Federation have also helped to form the contemporary APS, however it has been major reforms to change its structure and aim to achieve greater responsiveness to ministers undertaken since the 1970s that have had the most crucial impact. These reforms have been highly significant to the role of the APS in providing advice and developing public policy (Verspaandonk 2000, Nethercote 1997).

Change has occurred in the way that the public service operates, as well as in the way that it delivers services (Roberts 2004: 24); challenging the foundation of the concept of 'public service' which is set on notions such as responsibility, accountability and impartiality. While change has resulted from internal factors in the public service itself, a significant proportion of this change has occurred from external factors over which the APS has had little control. These include the growth in the number of people with a university education employed in the APS since the 1950s, and the increased role of women in the APS because of equity concerns emanating from the women's movement. The most significant external change however, has been through the development of information technology, which in some ways has made change an attractive option to the APS, and in other ways has imposed change upon it (Nethercote 2007: 77).

Change to the public service is inevitable. It is '...intended to shake up inert bureaucracies, to battle vested interests, to tackle systemic shortcomings and failures, and to alter some aspects of the prevailing administrative culture' (Caiden 1991: 131). Effecting constant change and improvement is important because:

[N]o government 'owns' the public service. It must remain a national asset that serves the national interest, adding value to the directions set by the government of the day. The responsibility of any government must be to pass on to its successors a public service which is better able to meet the challenges of its time than the one it inherited (Howard 1998: 11 in Keating 2003: 97).

Throughout the history of the APS, a significant mode of change and reform has been through amendments made to the Australian Public Service Act

(PSA). The Act provides the primary framework of the APS, and sets out the values and a behaviour code crucial to its operation. Changes were made from external issues affecting Australia's place in a global environment throughout its history, however certain internal factors have remained constant throughout the life of the Act. To set up a background to the research question 'has a more politicised public service resulting from public sector reforms affected the policy making role of the APS in the context of wicked or complex problems?' an historical analysis of the PSA follows.

2.2 The Australian Public Service Act

From Federation, decision makers have considered that there are '...sound policy and practical reasons for having a public service act' and these have not changed (Nethercote 2007: 64). One of those justifications derives from the many differences between private and public sector employment procedures. They include the need for loyalty to ministers and the provision of impartial advice to the government, as well as the maintenance of merit-based employment, including the prohibition of preferential treatment or arbitrary discrimination of public servants. A PSA also encourages best employment practices by providing a just and equitable framework for the employment of public servants. A review group scrutinising the Act in 1994 also considered that:

[T]he Public Service Act creates the structure of the APS as an entity, as distinct from an aggregation of separate employing bodies which would be the case if the common law was the only basis of employment. It provides a legal basis for the Parliament to express the important Values and cultures it wants in the Public Service (Nethercote 2007: 65).

Administering the APS by legislation through the Public Service Act is a choice not a legal requirement, and is useful for determining the role and duties of departmental heads thereby ensuring that their relationship with ministers is both explicit and clear so as to ensure accountability (Nethercote 2007: 63-64).

While this information is helpful in understanding the need for a public service act, examining the historical context of public sector reforms and changes to the Act in particular, provides a backdrop to research into politicisation. This is because an analysis of the changes to the Act enables an appreciation of the times, individuals and changing policy directions that have affected the contemporary Australian Public Service from Federation. A brief historical analysis of changes to the Public Service Act from Federation in 1901 until the 1999 Act also provides a clearer understanding of the changing and enduring nature of the essential characteristics of the APS.

2.2.1 Historical context

There have been three principal Australian Public Service Acts, the 1902 Act ‘for the regulation of the Public Service’, the 1922 and the 1999 Public Service Acts. Although the size and role of the APS has changed over time, these three Acts share basic principles and functions. Some of these stated in the Australian Public Service Commission’s paper ‘A History in Three Acts’ (2004) are relevant to this research because they address the Westminster tradition of an apolitical public service, accountability issues of the APS, and

public management issues; all of which have been cited as significant concepts in arguments regarding politicisation. Therefore, it is relevant to acknowledge:

- the influence of the 1854 Northcote-Trevelyan Report (with its resolute refusal to advocate ‘corruption, nepotism and patronage’) on the necessity of maintaining a merit-based career public service in Australia;
- the accountability of ministers and public servants; and
- The emulation of the private sector (PSCrAR 1906, p.47). It is interesting to note that Public Service Commissioner McLachlan stated in 1906 that ‘...it is...highly important [for] the Public Service ...to be brought more into accord with the best examples of private and commercial enterprise and administration, and so secure public approbation’ (PSCrAR 1906, p.47). Reform processes by managerialist reforms begun in the 1970s and added to by successive governments added to this principle (APSC 2002: 181-192).

2.2.2 The 1902 Public Service Act

The Commonwealth Public Service initially consisted of the departments of the Attorney-General, Defence, External Affairs, Home Affairs, Trade and Customs and The Treasury (APSC 2004: 1). The departments of Trade and Excise transferred from the Australian colonies’ public services on this date, but the relevant departments dealing with Defence did not until March 1901. At the time, appointments to the public service occurred under s.67 of the Australian Constitution, and this practice continued until the Commonwealth Public Service Act 1902 for ‘the regulation of the Public Service’ came into force in January 1903. This inaugural PSA was modelled primarily upon the

public service legislation of the British Civil Service Commission and the Australian colonies that existed before Federation, including Victoria and New South Wales (APSC 2004: 1).

Specific legislation was considered necessary for the new Commonwealth Public Service ‘...with a view if possible of removing the semblance of political influence’ (CPD 13 June 1901, p. 1080 in APSC 2004: 1). As a result, the 1902 Act presented the main principles of a ‘career’ public service with highly centralised control administered by a single public service commissioner rather than the three commissioner boards customary in the colonies’ (later State) public services (APSC 2003: 34). A single commissioner to carry out the responsibilities of the new Commonwealth Public Service was considered to be more appropriate than a traditional three member board favoured by the States, because the State public services were not only facing problems but were also considered to be less effective than hoped (APSC 2004: 1).

The search for the first Commonwealth Public Service Commissioner was a search for ‘...a good man... not only thoroughly efficient but superior to all influences political and social’ (Drake, CPD 1 August 1901, p. 3351 in APSC 2004: 2). This search resulted in the appointment of Mr D.C. McLachlan on the 4th June 1902. McLachlan made a significant statement in his inaugural annual report that would continue to frame ideal perceptions of a professional APS focussing on efficiency, namely that:

[T]he Commonwealth Public Service must not be looked upon as an asylum for the indolent or the incompetent. Each officer will be expected to show evidence of a strenuous official life, to work diligently and conscientiously and legitimately earn the salary he receives. Efficiency and economy must be the watchwords of this Service if public confidence is to be attained and maintained (PSCr AR 1904, p. 65 in A History in Three Acts 2004: 2).

McLachlan was highly respected by his peers and influential in the formation of the (then) Commonwealth Public Service. However, problems with the 1902 Act emerged when it became apparent that it contained some primary flaws in its structure. That is, it neglected to address the organisation of departments in the APS and lacked provision for the appointment and role of departmental heads, as well as the establishment of departmental operational procedures (Nethercote 2007: 62). These weaknesses, along with significant criticism of the idea of ‘strong central control’ as well as the impact of the First World War (APSC 2003: 34) with its ‘practical, logistic and financial problems’ resulted in pressure later in the century to reform the 1902 Act (Wanna and Ryan 2003: 3).

Reform of the 1902 Act

As a result of these limitations, two Royal Commissions both conducted after World War 1 recommended new legislation, contributing to the formation of the 1922 Public Service Act (APSC 2003: 34). The Royal Commission on Federal Economies (the Economies Commission) and the Royal Commission on Public Service Administration (the McLachlan Commission) to the government’s return to its peacetime role made significant contributions. The Economies Commission’s focus on public service expenses and cost saving

measures was particularly influential on the desire for change (Wanna and Ryan 2003: 15). Among the Commission's recommendations released in 1919 was the idea that much saving was available by utilising a management model that focused on organisations and systems, along with long-term monitoring of departments to identify overspending and lack of efficiency (PSB 1924: 5). Prime Minister William (Billy) Hughes (1915-23) concurred with the findings of both the Economies Commission and the McLachlan Commission by stating:

I believe the Public Service of this country is in urgent need of reform; it is a cumbrous, costly, and ill-managed instrumentality of government. The Government proposes to introduce a Bill for the amendment of the Public Service Act which will enable us to give effect to a great many – the major portion, perhaps – of the recommendations of the Economies Commission (CPD 10 March 1920: 260).

2.2.3 The 1922 Public Service Act

Under the 1922 Act, the government also decided to institute a three member Board of Management as recommended by the Economies Commission, rather than continue with a single public service commissioner as recommended in the McLachlan Commission (APSC 2004: 19). The changing role of the APS explained this move condensed in a statement made by Minister Groom in his speech on the new bill:

...the proposed Board will have added duties of a different nature, and of a character not hitherto undertaken by any Public Service administration in the Commonwealth. The idea is that there shall be business management as well as control of the Service, and this, obviously, cannot be obtained by means of one Commissioner; this necessitates calling in aid from outside in order to bring some additional ability and strength to bear on the general control and the expenditure of the Service (CPD 5 October 1920: 5297 in APSC 2004: 23).

Subsequently, on 11 June 1923, the Australian Governor-General appointed the first commissioners of the Public Service Board. These three commissioners each had different terms of five, four and three years of tenure to ensure ‘continuity of administration since all Commissioner positions would become vacant at the one time if a common term of office applied’ (APSC 2004: 24). A Public Service Commission made smaller by relocating some of the responsibilities of the Board to other departments, including Finance and Industrial Relations replaced the Board in 1987 (Verspaandonk 2003).

One of the most important factors of the 1922 Act was that it laid down the framework for a ‘unified public service’; however, it is important to note the historical context of this Act, which was made for a small public service of primarily modestly-sized agencies in an era before technology and widespread higher education opportunities impacted upon it. People who had experienced the preferential treatment of individuals and the unethical and wasteful practices of the colonies’ departmentalised public services before Federation (Nethercote 1997) also planned the 1922 Act.

The 1922 Public Service Act stood for more than seventy years; however, the consequences of growth and increasing complexity of the Act resulted in calls for reform. Remuneration and personnel issues dominated the amended 1922 Act (APSC 2003: 35); while specific criticisms of the structure of the Act included:

- the qualities and justification of the APS were not articulated;
- the principles of a public service were not specified;

- the need for an apolitical public service was not recognised;
- the requirement that ministers should not be involved in employment issues was not stipulated;
- the nature of the merit principle was unclear;
- the Act had no code of conduct;
- the Act did not set out the distinct roles of ministers, departmental heads and the public service commissioner; and
- There were no clear arrangements for the commissioner to report through the minister to Parliament (PSMPC 1997, p. 6 in APSC 2004: 128).

Reform of the 1922 Public Service Act

The shift in the role of the APS resulting from external crises and the increased emphasis on the economic costs of policy contributed to the perception by ministers in the 1970s that the public service had become too independent and not responsive enough to ministerial imperatives (ABC 2002). The perception of an irresponsive public service in the 1970s stemmed from the need to rebuild Australian society after the Second World War, a need in which the public service had a crucial role. The age after the Second World War became a time ‘...when the public service wasn’t afraid to dream dreams’ (ABC 2002). Central to the APS at this time were the heads of departments known as mandarins, or the ‘Seven Dwarfs’. This nickname was granted because all of these heads were men; they were all short in stature and all came from modest circumstances; they were indeed ‘...a distinguished and legendary group of public service mandarins’ (Podger 2003).

The power of the mandarins to rebuild Australia after the Second World War was significant and influential (ABC 2002). Whether the mandarins shared this view is speculation however, when one of the mandarins, Sir Roland Wilson remarked during his tenure as Head of Treasury from 1951-66 that:

I hope I shall never be guilty of ignoring the voice of the people. In fact, I feel...that some of our Public Service administrators have been altogether too much infatuated with their own crack-pot views and the sooner I subject my own thinking to the supervision of my political masters the better we shall get (Cornish 2003: 30, in Podger 2003).

It is apparent that Wilson, at least, was clear on his role as a policy adviser (Podger 2003); however, despite this interesting take on his role as a departmental head, the mandarins overall were perceived by government ministers as having too much power and independence in their time. It is important to note the historical context of this perception however, which was the need to move from wartime priorities to peacetime management (CPDS 2002).

Nevertheless, it was in the late 1960s and 1970s that the framework and the organisation of the APS itself came under scrutiny. At that time, all political parties that the requirements of the APS had increased significantly, meaning that the current management structure was unsuitable for the contemporary public service and needed basic reform, perceived it. It was also claimed that the APS wielded too much power and influence; an assertion that became manifest at a change of government in the 1970s. The new Whitlam Labor government achieved power in 1972 after more than twenty years of Liberal party rule and feared that a public service that had served a Liberal government

for this extended length of time would not be amenable to its reformist agenda (CPDS 2002).

2.2.4 The Royal Commission on Government Administration

Consequently, another public service mandarin H.C. ‘Nugget’ Coombs was selected to conduct The Royal Commission on Government Administration (RCAGA) during 1974-76, which encompassed landmark reforms of public sector administration. The Coombs Commission, as the RCAGA became known, concluded its research with a finding that is particularly relevant in this thesis, that is ‘...the core obstacle to achieving desired political goals was bureaucratic resistance to change’ (CPDS 2002). This finding challenged the notion of an apolitical public service impartially serving successive governments.

The recommendations of the Coombs Commission proved to be significant and influential because they encompassed changes to the structure and aim of a public service act that had been present for more than fifty years. The Coombs Commission therefore, was a critical turning point in administrative theory because of its recommendations to change the structure and management of the APS by focussing on three main ideas that would prove enduring in public service reforms over the next thirty years. These themes are:

- ‘increased responsiveness to the elected government;
- improved efficiency and effectiveness, with devolution and stronger emphasis on results; and

- Greater community participation in government’ (RCAGA 1976 in Briggs 2005).

The recommendations of the Coombs Commission contributed significantly to accelerated and important APS reform in the latter half of the 20th Century (Commonwealth of Australia 2003: 35; Podger 2003; Verspaandonk: 2000). One of these recommendations that is relevant here, was that the convention of the career service meant that a ‘self conscious professional class’ had ensued, and new approaches were required in order to ‘...break the pattern of ‘cultural and intellectual inbreeding’ and to give rise to a new ethos – ‘flexible and responsive as well as responsible’’ (RCAGA 1976: 17). Overall, there was the desire for the public service to become more ‘responsive’ to government (Rowse 2002: 100), and less likely to pursue its own agenda than the mandarins (Mulgan 1998).

Some of the recommendations of the Coombs Commission were implemented in stages. However, the impact of private sector practices on the public sector, a desire that was apparent since Federation, resulted in government decisions to improve the efficiency and competitiveness of the APS. These decisions referred to best practice in the private sector and in the public services of other nations. This reflected recognition in the 1970s and 1980s that the APS needed to be open to significant diversification of the workforce, as well as to changes occurring in the Australian community (APSC 2003: 35). For example, during that time inflation and unemployment began to increase, and new social movements such as the women’s movement called for women’s rights; insisting on institutional change to allow for more gender equity in the public

service (Podger 2003). Commission of a review of the 1922 PSA in 1994, would 'provide a modern and flexible management framework for the Australian Public Service' (APSC 1996).

A review of the Act was necessary because by the time the Howard Liberal government achieved power in 1996; more than one hundred amendments to the 1922 Public Service Act had made it convoluted and dense. Reform in the development of the 1999 Act 'represented a culmination of the reform measures pursued in the preceding two decades' (APSC 2003: 35). As a result there is little similarity between the physical structure of the 1922 Act and the 1999 Act; with the latter consisting of less than fifty pages written in a plain, easy to understand way (Weeks 2007: 26).

2.2.5 The 1999 Public Service Act

The 1999 Public Service Act provides the legislative framework for a departmentalised public service with reduced central control (Nethercote 2007: 61). The Act also encompasses reforms to ensure an Australian Public Service that embraces public management practices. This change has been highly significant in the operation of the APS, in particular in its role as a policy adviser. The main difference between a public management approach and a traditional administration approach is that '...managers are now responsible for results, where administrators simply carry out the instructions of others' (Hughes in Verspaandonk: 2000).

To gain an understanding of the effect of these reforms on the APS, prior to the 1999 Act, the Australian Public Service had the following characteristics.

These included:

- processes and inputs were emphasised over results;
- particular attention was placed on administration practices and service delivery;
- the workforce was primarily dominated by men;
- employment was considered to be a career and therefore secure;
- the APS was the primary source of policy advice to government;
- preferential treatment was common for those already employed in the public service; and
- Strong central control managed employee conditions and procedures (Verspaandonk 2000).

While the new Act maintained the basics of a career public service with the emphasis on merit that was apparent in the previous Acts, the new Australian Public Service that resulted from the reforms includes characteristics in its management and service delivery role such as:

- a more flexible, efficient, outcomes and outputs focused service;
- a private sector approach to administration and the outsourcing of service delivery;
- a more diverse workforce;
- contract employment for senior public servants with increased parameters for dismissal;
- an increase of contested policy advice;
- a more open employment structure;

- greater political control of the public service;
- improved lines of approach for information or justice concerns; and
- Decentralisation of conditions and practices of employees; as well as budget responsibilities (Verspaandonk: 2000, Roberts 2004: 24).

2.3 A new public service: New Public Management

Flexibility, efficiency and responsiveness are the key concepts of NPM principles. To achieve these aims, performance contracts, contestability of some aspects of the public service, devolution from central control to individual agencies and outsourcing service delivery to the private and not for profit sectors has been undertaken (MacDermott 2007: 3). There has been some satisfaction with the achievements of efficiency and flexibility under NPM processes. However, it is essential for democratic and equitable policies to recognise that:

...governments are rarely involved in the production of goods and services that can easily be dealt with by business-like methods'; indeed, 'the core role of governments is 'governing' – which involves creating a framework for a community's social and economic transactions.

Governing is a qualitative/knowledge/wisdom/relationship problem concerned with the way a society works – rather than a quantitative/efficiency problem related to producing goods and services (CPDS 2002: 5-6).

As one interviewee commented on NPM principles in practice:

...certainly if you like looking at more efficient ways to do our business, then to adopt private sector practices can be helpful but it doesn't all apply, it's very different. And there are good reasons why it's different, and there are good reasons why it should remain different...through the legislation, we compel Australian citizens that they have to do certain things and we should be accountable for exercising our decision-making

processes in the right way. Whereas with a private citizen and a company, one can usually choose not to buy their products; they can go somewhere else. Can't do that with government.

The public service is a career service with appointments and promotions of public servants based on merit, but it was not until the introduction of the 1999 Act that this statement was included in legislation. In theory, a career service encompasses ideas such as merit-based promotion and security of tenure; that is termination of employment may only occur if there is just cause. A career service also suggests employment at an early age, with the individual moving up in rank until retirement age. In practice however, there have been early policies in Australia that not only prevented married women from working in the APS, but returned servicemen were given preferential treatment through public service employment after their wartime deployment. Nevertheless, one of the most significant reasons for a career service was to create an impartial labour force that would serve governments of any political party and be able to provide frank and fearless advice to ministers. Today, the APS is still considered a career service but under the principles of NPM, people may enter it at any level. Employment contracts are increasingly offered and voluntary and involuntary redundancy practices are well established (Nethercote 2007: 70).

It was not only the changes to the idea of a career service that were significant at that time, another fundamental change that occurred under the 1999 Act was the implementation of the Values of the Australian Public Service:

...reflecting public expectations of the relationship between the public service and the government, the Parliament and the Australian

community, with specific reference to political impartiality, maintenance of the highest ethical standards, accountability for actions, and responsibilities to the government of the day (APSC 2003: 35).

A code of conduct has also been legislated for, articulating behaviour standards expected of public servants to ensure a professional public service, and enforcement of the Public Service Values (APSC 2003: 35).

2.3.1 A professional public service

There is little doubt that it is essential to have a professional public service in Australia, because ‘...democracy without rule of law is no freedom’ and citizens need to be protected from the ‘arbitrary exercise of executive power’ (Shergold 2003: 10). Public administration is an important source of policy advice; it also develops policy, prepares legislation and delivers government programs. The primary advantages that the public service has over other institutions that provide advice in particular are its accountability mechanisms, merit-based employment strategies, and the idea that it is an ethics-based and apolitical entity. Therefore, to ensure democracy, it is important that public service appointments are not biased or dependent on the whim of politicians and acknowledgement is made of ethical action and behaviours. It is also important to deliver services, and that bureaucrats accept responsibility for their mistakes (Shergold 2003: 10).

As the Public Service Commissioner stated during the Howard government’s term of office ‘...we [public servants] need to focus on accountability and leave no doubt about who has responsibility for what’ (Briggs 2006:10).

Therefore, it is necessary that the basic, ethical nature of the public service be protected while undertaking essential public service reform (Shergold 2003: 10). This means that the move over time through public service reform, from a centralised system of employment to a departmentalised system under new public management, has meant that the Values play an important role in setting out the basic philosophy of what being a public servant means (Roberts 2004: 37). As one public servant interviewed stated:

I think we need to have strong ethics and strong accountability arrangements because depending on where you are in the public service you can exercise quite a lot of power over people's lives. I think it's important that you do that in a way that can be seen to be of the highest standard, and is open to scrutiny to make sure that there's not malicious or arbitrary decision-making affecting the lives of Australians in the wrong way.

Public Service Values are part of the ethical framework and they're absolutely critical. It is an interesting thing, the Public Service Values, because its all been codified now. But if you actually ask public servants who have been in the public service for a long time they say 'well, that's the way we do it' and that's good! That's the way it should be. It's interesting because one of the tests that you can say to people – while you've got all the Values and the Code of Conduct - if you actually feel uncomfortable with something it probably means it's not right. Most people have a pretty good ethical framework, and what we say in those circumstances, tell somebody if it's not right. But I think that with the Values and the Code of Conduct, it has been a very good thing to document them. Because what's happened in the past -like I said about corporate memory - people were ushered through the system in a way, learnt those skills and values of what's proper as they went through, but because the workforces are much more dynamic now, people coming in and out, some people reach relatively senior levels without being in the public service for very long, or come in from the private sector. I think it's important to actually have those things codified. In part for that reason.

The Coombs Commission of the 1970s and the Review of the Corporate Governance of Statutory Authorities and Office Holders (the Uhrig report of 2003) included reforms that have contributed to the positive reputation of the

APS. Efficiency, accountability and responsiveness to ministers and the public are essential for a relevant APS in contemporary Australia (Briggs 2006: 8).

The historical desire for an ethical public service has also now been codified by law and articulated in the Values of the Australian Public Service. Primarily, the Values are about good administration principles, and holding to these principles ensures public confidence in the ability of public servants to implement policy. Therefore, the Values ‘...help protect the APS against inefficiency and poor performance, but also against politicisation, fraud, corruption, inequality and the inability to conduct business confidently’ (Briggs 2006: 8).

2.3.2 The Values of the Australian Public Service

As an action to constrain politicisation in particular, the Values should not just be rhetoric; they should be rigorously practised and monitored. This is because, throughout the history of the APS, public sector ethics have been an issue, and enacting the APS Values is the result of historical expectations of the ethical behaviour of public servants by specifying rules for process. The Values of the APS are set out in The Public Service Act 1999, and are not merely ‘aspirational statements of intent’ (APSC: 2003, Briggs 2006: 8).

The Values must be endorsed by all public servants and promoted by agency heads who, along with members of the Senior Executive Service (SES), are expected to actively promote the Values to other public service employees (APSC: 2003). Sanctions for breaches of the Code of Conduct include

behaviour that reflects adversely on the integrity of the public service (Podger 2001: 1). As one interviewee stated:

[T]here is additional responsibility on SES officers, of which I am one, and it's the leadership group of the APS, and that is that under s35 of the Act we are specifically required to demonstrate by personal example and behaviour and practice, the APS Values and Code of Conduct. Now, that's the theory of it. In practice, I'm satisfied that in this agency, at least, that it is a collegiate, professional environment. As I said before, the Values of impartiality and apolitical advice are strictly adhered to. I think that in Prime Minister and Cabinet despite the fact that we are quite close to the apex of the political environment, we adhere to those values quite strongly.

The Public Service Values define the APS because they ‘...provide the real basis and integrating element of the Service, its professionalism, its integrity and its impartial and responsive service to the government of the day’ (APSC 2002). The ideas of public interest; fairness and equity in employment; and the necessity for a results orientated organisation frame the Values, which do not have any order of importance (APSC 2002). A full list of the Values is included in Appendix A; however, the Values considered most relevant to this thesis are those that encompass an apolitical public service and a responsive public service.

Claims of politicisation tend to identify the perception that in practice, the tension between the public service values of impartiality and responsiveness is ongoing. The enduring perception is that:

[P]ublic servants provide to government only the information and advice that it wishes to hear, either because political advisers let through only that which they believe their Ministers want or because it is instructed to do so or because it is implicitly understood – if not explicitly stated – that certain facts or views will not be welcomed (Weeks 2007: 42).

Direction 2.2 of the Values states that the APS is ‘...apolitical, performing its functions in an impartial and professional manner’ (APSC 2002). This Value affects the primary role of the APS, which is to provide policy advice to government and to carry out its policies. To do this, the APS must be efficient, effective and act within the law. To enable compliance, the APS must operate independently from the political party system and be free of both ‘political bias and influence’ (APSC 2002). Public servants are required to serve elected governments well; they are also required to disregard their own political opinions and whatever party is in power. In practice, this Value prohibits preferential treatment of public servants; and determines the professionalism and responsibility to strive for excellence in the performance of staff and agencies. This Value embraces the idea that public service advice will be neutral, relevant and productive with the assurance that ‘legislation is implemented in a non-partisan way and the policies of the government of the day are administered impartially’ (APSC 2002).

Direction 2.7 states that the APS ‘...is responsive to the government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the government’s policies and programs’ (APSC: 2002). It is part of the role of the APS to advise and support the government of the day to develop and implement government programmes as well as to enact the law. This Value complements the idea of an apolitical APS, to verify that governments receive a full and complete understanding of issues and are able to obtain from the APS an entire selection of options upon which to base their decisions (APSC 2002).

In practice, Direction 2.7 determines that departments comprehend government aims and the context in which government functions to enable the APS to predict, construct and offer options within the parameters of the government's aims and objectives. Agencies should observe and report on issues as they develop, and identify the factors that may affect decision-making. This Value also encompasses the expectation that the APS is responsible for implementing the decisions made by the government in a professional and ethical manner, regardless of advice they may have previously offered. The APS must ensure that its advice is '...frank, honest, comprehensive, accurate, timely and forward-looking, taking into account best practice here and overseas' (APSC 2002). Therefore, it is necessary that APS advice is '...balanced, comprehensive, impartial, timely, adequately documented and provides government with a clear and sufficient analysis of all relevant issues and options' (APSC 2002). One interviewee noted:

[T]he APS in my view is responsible for providing apolitical, impartial, professional and objective advice to the government of the day. We should be providing our objective and impartial and apolitical advice, and if the government takes a decision, I think it is beholden on us to be responsive in terms of implementing that, having identified the risks...

This Value also encompasses the idea that it is essential that '[T]he agency has a culture that supports the provision of frank and fearless advice' (APSC 2002). This expectation should be monitored and assessed to maintain the effectiveness of the advice offered to ministers, taking into account the input by relevant stakeholders. In addition, the department is able to confirm by reporting procedures that it is responsive to government by being effective in its implementation of government policies and programmes (APSC 2002).

2.3.3 Impartiality or responsiveness?

The Values discussed above define two important factors of a successful APS in its policy-advising role that have been aims since Federation. These are the concepts of ‘impartiality’ and ‘responsiveness’. Analysts generally accept that an essential principle of the public service is its political neutrality, which does not mean abstaining from politics or policy making literally. Neutrality or impartiality however, does necessitate the avoidance of obvious support of particular policy directions or values, which differ across parties and governments (Mulgan 1998: 4). Impartiality means critically assessed evidence, resulting in the provision of balanced and unbiased advice. Public servants should be cautious about reaching stronger conclusions than the evidence warrants (Mulgan 2007: 574). Remaining objective and providing impartial advice is ‘...an intrinsic part of the ethos that supports the continuing power of professional public services’ (Richards and Smith 2000 in Mulgan 2007: 574). Jackson (1987) considers that ‘[P]olitical neutrality means not obedience, but morality’; and ‘the contrast to blind obedience is the sceptical eye of doubt’ (Jackson 1987: 280 in Williams 2005: 22), meaning that public servants should moderate their responsiveness by listening to their consciences and considering the ethical impacts of advice (Briggs 2005, Weller 2002).

The problem of balancing impartiality and responsiveness is a constant challenge to the APS, and is difficult to reconcile (Podger 2005, Shergold 2003, Williams 2005, Mulgan 1998, Spry 2000). The primary principle of impartiality is that a public servant is able to transfer loyalty when a minister or

government is changed. Balance is necessary between impartiality and responsiveness because the reason behind the desire for an independent public service is that there is a place for professional expertise when developing policy, especially in regards to institutional memory. Disregarding personal opinion, public servants are expected to appreciate the aims of the government of the day and respond. The ability to adapt and respond to a change of government is the measure of an independent and impartial public service. Balancing independence and responsiveness requires sound judgement and is an essential quality in the definition of a 'good' public servant (Keating 1999: 46).

Nevertheless, at times throughout its history, the APS has been criticised for being too responsive to ministers and at other times to be too independent. While the perception in the 1970s and 1980s was that the public service was too independent and unresponsive, few analysts would argue that a lack of responsiveness was a problem under the Howard government. This meant that questions were asked by analysts, the media and former and incumbent public service employees about the professionalism and impartiality of the APS at that time, and whether reforms made to the PSA in order to improve responsiveness in particular resulted in public servants being too eager to please ministers (Podger 2005).

While the responsiveness of public servants to ministers is a legitimate concern, it is important to note that public servants have always been involved in a political environment, and they have always had to take into account the

‘objectives, values, priorities and commitments of the government of the day’ to ensure that their advice is detailed and relevant. In other words, ‘...the public service cannot avoid politics any more than fish can avoid the water in which they swim’ (Hasluck 1995: 91 in Keating 1999). When analysing public policy, ‘...political considerations are all pervading as policy is developed. Politics ultimately will determine whether any policy progresses from stage to stage and at what pace. Good policy processes can tame, but only to a degree, the political process’ (Edwards 2004: 7). As several interviewees stated:

[S]ensitivities are always a whirl; we have to be very aware of the policy environment.

That’s just normal life ...it doesn’t matter what business you’re in you have to be sensitive to the needs of your clients and who’s paying for it.

[T]he government wants the APS to be more responsive to its needs, its agendas and what it does. In my view that’s not politicisation but some people will see that we’re very quick to respond to what the government wants, well that is our job and it’s not our job to be tardy because it’s a change of direction, or we don’t like that one, or we like the previous one better or we’re geared up to do that one and we don’t know how to do the new direction, so therefore we’ll drag the chain a bit.

The Coombs Royal Commission conducted in the 1970s, concluded that ‘...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 other wise provided by legislation, subject to his direction’ (RCAGA 1976: 61). However, while the minister sets and is responsible for the priorities and policies of the department the APS does not advocate, defend or canvas their merits even though it may explain the policies (Keating 1999).

Therefore, the primary role of the public service is to inform ministers thoroughly by offering advice on the best policy while considering the government's values and aims. It is particularly important that public servants remain 'frank and fearless' by highlighting inherent negative consequences of policy choices, including the ones that the minister would initially favour (Keating 1999: 46). Stone (1992) states that:

...what Ministers most need from them [public servants] is dispassionate, non-sycophantic analysis of the issues. They need...people who feel sufficiently secure to tell them, when appropriate what they *don't* (emphasis in original) want to hear, not what they want to hear (Stone 1992: 368 in Cornford 2004: 5).

This viewpoint was supported by the public service commissioner during the Howard government's term of office, who argued that public servants should maintain a passionate interest in their research and provide ministers with information on what is perceived to be the 'right thing to do' to drive long-term reform. Public servants who are willing to take the risk of presenting ministers with a challenging policy agenda, thereby assisting the nation, are essential to the public service, and these actions do not imply partiality (Briggs 2005: 10). Although it is important to realise that being passionate may mean taking some risk, it is also essential that public servants remain responsive to ministers, while maintaining a 'healthy distance' from issues. This requires a solid perspective on the role and values of the public service and the roles and responsibilities of the government to make decisions (Briggs 2005:11).

While the desire for challenging advice is still relevant, an ongoing concern by the public, analysts and the media is that the informal convention of 'frank and

fearless', which is often used in work that discusses the type of advice given by bureaucrats to ministers, is not stated as a specific public service value. Some analysts consider that the usefulness of the 'frank and fearless' concept remains contested, and others consider that the concept is clichéd and therefore powerless (Shergold in ABC Online: 2003). Nevertheless, providing 'frank and fearless advice' is a traditional convention illustrating public expectation, and is deeply embedded in the institutional memory of the public service (Briggs 2005: 2). The interviewees all consider that the informal convention of frank and fearless advice provided by the APS to ministers is still relevant, still occurs and as noted by one public servant is:

...underpinned these days through the APS Values and Code of Conduct which is codified in legislation. ...section 10 of the Act makes our responsibilities as public servants quite plain, in terms of providing advice which is apolitical and impartial, of the highest ethical standards, and is frank and honest and comprehensive. The word fearless is no longer used. I think that comes into probably the notion of ethical and professional. If you are a professional public servant you ought to have the courage of your convictions, and to provide the advice that you see fit without necessarily by legislation being told that you have to - to be fearless, to be brave.

While the informal convention of frank and fearless advice has not been specifically used in the Values, public service Value 2.7 includes the idea that it is essential that '[T]he agency has a culture that supports the provision of frank and fearless advice' (APSC 2002).

2.3.4 A frank and fearless public service

The traditional concept of 'frank and fearless' advice is encapsulated by the opinions noted by former Public Service Commissioner Sir William Clemens

during The Great Depression (1929-1932). Clemens referred to the necessity for public officials to be brave and consistent when administering bureaucratic and executive duties, as well as to be resourceful when providing advice. In his final report as public service commissioner, Clemens, who retired in 1937, included this quotation from Government Career Service by Professor Leonard D White:

[G]overnments have come to be engaged not merely in preventing wrong things from being done but in bringing it about that right things shall be done. A negative Government only requires courage and consistency in its officials, but a positive Government requires a constant supply of invention and suggestion (PSB AR 1936: 26-7 in A History in Three Acts 2004: 39).

This view, while sometimes contentious, is still valid at a time when the public service is perceived to be an ethical undertaking providing ‘frank and fearless’ policy advice to ministers that is impartial, independent and apolitical. While the traditional convention of frank and fearless advice is still relevant, the lack of the specific term in the public service Values has arguably weakened public service traditions as well as resulting in current public servants being more cautious in providing challenging advice than their predecessors (ABC Online 2002, Nethercote 1997).

This structuralist argument is challenged by an individualist perspective, that is the ongoing perception that contemporary public servants do not have the particular character qualities that are advantageous to an efficient and effective public service such as those displayed by the ‘mandarins’ of the post World War II era (Weller 2003). In contrast with today’s secretary, the secretaries of the past are ‘...seen, through the gentle glow of history, as secretaries who

were strong of character, impeccable of conduct, imperious in the way they wielded significant personal power and (most important) fearless in the manner in which they provided advice to the ministers they served' (Shergold 2004: 3).

The past becomes legend where modern secretaries are unable to live up to the ideal set by the perceptions of mandarins of the past (Shergold 2004: 4). This comparison of secretaries is of course, debatable because of the historical context of the times in which the mandarins lived, which was during and after the Second World War when their duties were certainly not routine. Nevertheless, it is an ongoing concern that the contemporary APS demonstrates a decline of scepticism where public servants ask hard questions rather than accept easy directions about advice given (Weller 2003). In Hennessy's opinion:

...the key ethic of the public service is 'fearless advice resting on top of top-class analysis, itself fashioned by evidence and reason'. In the current global market, he continued: the prizes go to the flexible and the intelligent. And governments can be neither of those things if the outcome of policymaking is the precooked, the palatable and the convenient (Hennessy in Nethercote 1997, 2006).

The APS therefore, maintains a crucial role in the provision of impartial policy advice to ministers in order to make public policy to address the issues facing the government of the day. The next section looks at the role of the public service and the difficulties it faces when wicked problems are the focus of public service advice and policy implementation. One of the most difficult actions when attempting to manage some complex policy areas is to achieve consensus about the definition of problems, because this entails the identification of a realistic view of the actual state of populations compared to

their idealistic or preferred state (Rittel and Webber 1973: 159). Indeed, while each wicked problem is unique, they share several primary characteristics.

These are:

- no ultimate definition;
- no ultimate solution;
- there are no right or wrong solutions but rather just ‘good-or-bad’, therefore solutions to wicked problems are not absolute;
- wicked problems cannot be solved by using trial and error as any decision has a widespread impact;
- there are a fixed number of solutions available;
- every complex or wicked problem is distinctive;
- all wicked problems may be identified as an indication of another problem;
- different ways of illustrating a wicked problem may be explained in many ways; and
- Using concepts of right or wrong cannot solve wicked problems because there is little public tolerance for failed social experiments (Rittel and Webber 1973 in Head and Alford 2008: 4-5).

There are also no measurable standards to ensure the identification and examination of all the solutions to wicked problems because there may be no solutions and an overall depiction of the problem remains unstable. These types of problems also typically involve many stakeholders, therefore little consensus is reached about what the problem actually is, which means that it is extremely challenging to find a solution (Ritchey 2005: 1-3). While it is acknowledged that the success of different approaches to wicked problems is difficult to

assess, this does not mean that an attempt to solve a wicked problem should not be made by governments, because there is merit in attempting a solution which is open to criticism and interpretation (Head and Alford 2008: 9).

2.4 Role of the Australian Public Service

2.4.1 *Impartial advice in a contested environment*

According to one interviewee, the role of the APS is:

...reasonably straightforward, it's to serve the Australian public through the government of the day. To elaborate, in that broad sphere, the APS as a whole has a whole bunch of responsibilities. They will be things like the collection of revenue through the tax system, defence of Australia, managing things that are important to the nation whether they be parts of the economy, or whether they be certain aspects of, say, environmental protection or trying to promote certain industries that are having varied difficulties. Trying to deal with or help people out of difficulties or to promote certain industries. So it's very wide ranging. And I suppose it runs through a whole gamut of policy advice and direct support to ministers. The implementation of government programs, administering legislation passed by the parliament, service supplies to Australian citizens and all the accountability processes that come with all those issues that we have on us, which are far more onerous than they are in the private sector.

The provision of 'disinterested, impartial, and apolitical advice', means that the APS has a competitive advantage over other sources of advice when dealing with wicked problems, because it has no hidden agenda, does not promote a particular interest group and will not make a profit from the policy advice provided. The institutional memory of the APS dates from Federation and is useful in protecting governments from repeating previous decisions particularly if they resulted in ineffective policies (Podger 2005: 15 in Briggs 2005). Advice provided by the APS is not only grounded on solid research, an

impartial valuation of the problem and has the advantage of institutional memory; it is also not 'party political' (Shergold 2004: 11). Nevertheless, the challenges facing the public service when offering advice are significant. Wilkie (2003) argues that:

[M]ost junior analysts try to offer frank and fearless advice. But the process is flawed. It involves so many layers of politically astute managers that the final result is often a report so bland as to be virtually worthless, or skewed ever so subtly towards the Government's preferred line. Better that, management would argue, than a brave report prepared in good faith that contradicts Government thinking or is likely to prove wrong over time (*Sydney Morning Herald* 31 May 2003).

The APS is also deemed to be in a unique position because it is able to analyse the advice that the government receives from other actors interested in wicked problems; contestable advice that invariably indicates self interest or a certain political leaning (Podger 2005: 15 in Briggs 2005). The accumulated experience and professional knowledge of public servants and their unique situation, which enables them to work interactively with their ministers, results in advice that is particularly valuable, and is different from other forms of advice (Keating 1999: 46). However the growing prevalence of contested policy advice resulting from public service reform in particular has challenged the image of the 'career service' bureaucrat; that is 'the simple image of the official as the instrument of ministerial authority, accountable to the minister also, working unseen, unheard and anonymous' (Rowse 2002: 100).

Over time, the rise of interest groups such as environmental, women's, youth, migrant and urban planning groups as well as the contestability of advice arising from public sector reform resulted in the necessity of an even more

responsive government. Public servants have conceded that their exclusive relationship with ministers regarding the provision of policy advice is in the past. Interest groups publicly promote their concerns more often than before, and officials have become more responsive to the concerns of these groups in order to maintain their influence with government. A bureaucrat has ‘...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’ (RCAGA 1976: 15 in Rowse 2002: 100). It is a concern however that:

...policy development has therefore become less to do with analysis and more to do with reaching out, consulting, involving and then persuading opinion formers, including politicians, think tanks, lobby groups and the media. Ministers and civil servants often find themselves in a ‘permanent campaign’, for which many civil servants are arguably not well-equipped (Stanley 2008).

While there may be opportunities for the public service to take advantage of this contested advice to achieve the most valuable results (Briggs 2005: 3), the perception that the role of the public service is diminishing because of contestable policy advice is enduring. Under reform processes, the public service no longer has a monopoly on policy advice. Ministerial advisers, think tanks and interest groups also provide advice. A critical point about contestable advice is however, that this comes from sources unsupported and unconstrained by the Public Service Values (Briggs 2005: 2). It is also an important concern that the focus on the current concerns of interest groups as well as the media has resulted in little regard for national long-term policies

(Mannheim 2009) that are necessary when addressing complex social and environmental issues in particular.

Therefore, while contestable policy advice has arguably strengthened democracy, it does present significant challenges for the APS (Shergold 2003: 7). Compounding this challenge is how the public service is to evaluate the advice that is received and also how it should assess competitive sources of information (Cornish 2003: 36 in Podger 2003). Interest groups are often equal in terms of their credentials and the validity of their concerns, but these differ widely because of their different values, interests and ideological approaches. This problem is particularly relevant in the context of one of the roles of the public service, which is to assist ministers assess this contestable advice (Podger 2003). One interviewee noted:

...you get a range of opinions which you have to balance in a risk assessment that says what are the risks here if we team with these. Because whatever we put in place might create a perception that we are compromised, and at the end of the day, these things are weighed and assessed on a case-by-case judgement.

Contestable advice also raises the question of the public interest. The concept of 'public interest' is often used in debates regarding the role of the APS (Williams 2005, Hawke 2002, Podger 2005, Keating 2003, Emy and Hughes 1997). This often refers to the '...idea that public servants should somehow stand beyond, above, or outside the bloody and ruthless circus maximus of the political arena, and be guided by lofty ideals like 'public interest' which endures throughout changes of governments' (Williams 2005: 19). As elected members, ministers and government have a duty to ascertain the public

interest. However, a role of the public service is to ‘...serve the public interest by providing honest, good-quality and timely advice to assist Ministers decide on what practical measures they wish to take to advance their conceptions what’s in the wider public interest’ (Hawke 2002: 35).

2.4.2 In the public interest

Definitions of the public interest include:

...common good and general will, which are used to distinguish the selfish or personal interests or cares of individuals or groups from the best interests of society as a whole. The public interest refers to some policy or goal in which every member of a society shares equally, regardless of wealth, position, status or power (Robertson 2004: 410).

The concept encompasses ‘...the broad interests of a community: that is, that which is good for society as a whole’ (Heywood 2007: 264). The APS is a political tool (Emy and Hughes 1997: 428), with democratically elected governments accountable for decision-making. In other words, an unelected bureaucracy does not wield power in order to ascertain what is in the public interest (Keating 1999: 46). Although ministers and governments have a duty to identify what is in the public interest because of their responsibility as elected members (Hawke 2002: 35, Emy and Hughes 1997: 428), the public service has a specific responsibility for the public interest by securing due process, or the equitable treatment of individuals affected by government decisions. This is undertaken by ensuring that decision-making is clear, and that programs are managed carefully whilst observing legal requirements (Podger 2005, Keating 2003). With reference to claims of politicisation:

[S]ome kind of due process is essential. Without due process, any project and its outcomes can be poisoned by an appearance of arbitrariness in decision-making. The public service by definition should operate on due process; it is inherent in the term 'public'. Whenever a significant public activity is proposed, the first consideration should be: by what process will it be applied? The neglect of process in favour of outcomes has been responsible for many of the recent difficulties (Evans 2006).

It is a duty of secretaries to preserve the integrity of the Australian system of government by ensuring that ministers are reminded of this need for due process (Keating 2003: 94). It is the secretary's responsibility to maintain his or her right to inform the minister about an incident, or the improper utilisation of resources. The culture of the public service should allow secretaries to feel assured that public service independence is protected in this manner and that they should have the support of their minister when it is needed (Keating 2003: 95).

The historical shift to managerialist trends undertaken to reform the public service over recent years has led to a focus on results and challenged the previous emphasis on process, resulting in legitimate concerns that this shift in focus has affected this traditional role. Most public servants argue that the public service should act within its values framework, and the government has elected authority to represent the public interest. However, the APS has a responsibility to ensure the ethical guidelines outlined in the Values are practised (Podger 2001: 1). As one interviewee noted:

I think we need to have strong ethics and strong accountability arrangements because depending on where you are in the public service you can exercise quite a lot of power over people's lives. I think it's important that you do that in a way that can be seen to be of the highest standard, and is open to scrutiny to make sure that there's not malicious or arbitrary decision-making affecting the lives of Australians in the

wrong way. Public Service Values are part of the ethical framework and they're absolutely critical.

When ethical issues arise in practice, it is assumed that most public servants will exhibit ethical behaviour, however some people will not, therefore systems and processes are needed to identify and discourage unethical behaviour (Podger 2001: 2). The Management Advisory Board (MAB) of the Australian public service has suggested that:

...in deciding whether a particular action is ethical, public servants should consider whether the impact of the decision will be fair, whether the government, whether they would be happy to have the action made public, and whether they could easily justify the action if called on to do so (MAB 1996: frontispiece in Keating 1999).

Promoting the idea that the public service has a '...clear mission to pursue the well-being of all citizens' would assist in the ethical nature of public service occupations. This is because public service careers are perceived to be ethical, since the notion of the public service and public administration itself is undeniably an ethical undertaking (Preston 2005).

2.4.3 An ethical public service

The ethical nature of the APS is in Public Service Value Direction 2.5 'the APS has the highest ethical standards'. The position that the public service holds in Australian society is one of trust. The APS has access to significant public resources and its legitimacy to make life changing decisions for citizens means that the public and the government should believe that public servants will demonstrate ethical behaviour when conducting their duties; and also that the failure to act ethically will be addressed in an equitable and professional

manner. Standards of behaviour are set out in the APS Code of Conduct, which is a useful tool to monitor behaviour (APSC 2002).

In practice, Direction 2.5 of the Values sets out the behavioural standards expected of public servants with reference to the Code as well as the behavioural needs identified by individual departments. The Direction also requires managers to recognise that their own conduct is a model for their staff members. This Value determines that unethical conduct has consequences, and that breaches of the Code are addressed within an appropriate period and in a systematic manner. Public servants will understand factors associated with 'public interest whistle blowing disclosure' and are able to disclose breaches of the code of conduct confidentially (APSC 2002). The concept of whistle blowing includes the expectation that when breaches of the Code of Conduct are alleged, public servants report them because it is in the public interest (APSC 2002).

The role of the public service focuses on the process of decision-making, and it is responsible for ensuring that integrity and probity are present by guaranteeing proper process. However, sometimes there are complex issues that result in conflicting values, subsequently creating an ethical dilemma (Keating 1999: 45). Claims of politicisation that occurred during the Howard government's term resulted in concerns that public servants were unaware of the ethical factors of their actions. This lack of knowledge adversely affects the public interest, and raises claims of a loss in the credibility of public administration (Preston 2005).

While ethics has always been a consideration in the public service, incidents such as the ‘children overboard’ affair have highlighted the role of the APS in the provision of frank and fearless advice to ministers (Weller 2007, Williams 2005) and raised claims of politicisation. This is why it is essential to implement clear procedures to identify ethical dilemmas because these have been the cause of many public investigations (Podger 2002) as the next chapter demonstrates.

This chapter sets the APS in its context as an important institution in Australia’s governance framework. The provision of robust, impartial policy advice when addressing policy issues, the power the APS wields to implement policies and manage public money, means that its reputation as an ethical institution is vital. Major reforms to the structure of the APS since the 1970s have challenged the notions of an impartial APS however, and the shift from public administration to a new public management model has meant challenges to the APS in its role to determine the public interest through the act of maintaining due process to ensure equity in policies. While a departmentalised public service has resulted in the codification of the Values of the APS, there is concern that the concepts of impartiality and responsiveness have created tension when put into practice, resulting in perceptions of a politicised public service.

The next chapter asks the questions ‘what is politicisation? Have claims of politicisation changed over time? Does the politicisation of the APS matter?’ To obtain an understanding of the nature of the concept of politicisation, the

following chapter develops a framework of analysis of what constitutes politicisation. These are reduced impartiality, over responsiveness and depleted accountability. This framework is then identified as resulting from significant public service reforms from the 1970s onwards to ensure a public service that is not only more responsive to ministers, it is also based on a public management model to improve its efficiency.

Chapter 3: Politicisation

Introduction

Politicisation claims made while the Howard government held office reinforced the perception that the accountability mechanisms set out through the codification of the Values of the APS have failed. This is manifested in the argument that senior public servants consider that their responsiveness to ministers is more important than their legal obligation to be apolitical while providing unbiased advice that is in the public interest (Roberts 2004: 14).

However, it is important to note that the concept of politicisation is obscure because it is a charge often made by opposition parties as part of their criticism of the government of the day (Mulgan 2007: 51). It is also common practice to defend a charge of politicisation by referring to the party or agenda of the person making the allegation (MacDermott 2007: 17). Despite this use of the term, politicisation ‘...remains a useful analytical concept, signifying the need to protect public service professionalism and to set limits to the partisanship of public servants’ (Mulgan 2007: 571).

In Australia, the public service under the Westminster tradition should be apolitical, impartial and professional, and able to serve successive governments with equal loyalty by providing ‘frank and fearless’ advice to ministers (Nethercote 1997). Frank and fearless advice is an informal concept, and encompasses a type of advice that is considered by public servants to be part of

their role as professionals and also an illustration of the ethical nature of the public service as an institution (Weeks 2007: 41).

Arguments claiming politicisation include the opinion that the provision of frank and fearless advice diminished during the Howard government's term of office, because there was little tolerance of dissenters or critics of the Howard government's neoliberalist agenda. This translated into the perception that only the bravest or most reckless of public servants promoted policy alternatives or presented policy advice that challenged the market-based ideology of the former coalition government (Nethercote 2002).

3.1 Defining politicisation

Attempts to define politicisation include the generic definition, that is '...to render [something] political in tone, interest, or awareness' (Collins English Dictionary: 2000). In the context of the public service, the term suggests '...the relative disempowerment of public servants in relation to their political masters' (Shergold 2005: 9); and may most usefully be perceived as 'the opposite of political neutrality' (Mulgan 1998). Data revealed from the interviews suggests that politicisation may mean to public servants that:

...one is feeling under pressure or feeling obliged not to provide apolitical and impartial advice.

...there is some sort of obstruction or culture that says ignore the facts or the research or ignore what you're hearing from people because the minister or government doesn't want that advice, they actually want a piece of advice that enables them to do this. Now, that to me would be the worst...would be politicisation.

...people [are] censoring the advice that goes up - before it goes up - because they believe that their job is to tell the minister or their office what they think they want to hear.

There have been many claims of the politicisation of the APS since Federation. These claims describe a variety of situations, usually implying disapproval or criticism. For example politicisation:

- may imply that a position has been gained through ‘cronyism’ or payment for a ‘favour’ rather than through competence or ability;
- may be associated with appointments, termination of employment or contract employment;
- may mean that an appointment or decision is made on the recommendation or advice of an elected person for party reasons or to reflect party ideology;
- may mean that appointments are based on party service and are unlikely to survive a change of government; and
- May also mean giving advice that ministers wants to hear rather than what they should hear (Nethercote 1997).

3.2 Historical claims of politicisation

Claims of the politicisation of public administration are common and are not new in Australia’s history; nor are they exclusive to the APS or to Australia for that matter. In the context of the APS, concerns arose about the politicisation of the new Commonwealth Public Service in 1901 (Podger 2002: 3). For example, Robert Garran, who was one of the initial seven departmental heads, had worked closely with (later) Prime Minister Barton in his campaign for federation. This meant that Garran’s appointment as the first Attorney-General of the new Commonwealth of Australia was ‘...initially somewhat

controversial and viewed as patronage' (Podger 2003), indeed that it was a form of politicisation suggesting that competence and ability played little part in an appointment perceived as repayment for a favour.

Later in its history, the politicisation of the APS may also be identified by the 'sectarian division' of departments such as Treasury, which was dominated by Protestants whereas the Department of Trade and Customs, which had a high number of clerks at the base rate of pay, was Catholic dominant. This situation became apparent after the Second World War, resulting in policy conflict between the two departments. On one side, Trade and Customs supported protectionism whereas the Treasury advocated free trade (Thornton 2007), an example where ideology played a part in hiring individuals for departmental jobs and raises concerns about the resulting departmental culture.

A further example was the failure of the APS to provide frank and fearless advice in the VIP Affair of 1966-1967, which entailed the suppression of information by the Prime Minister's Department to assist former Prime Minister Harold Holt deceive Parliament (Weeks 2007: 23). The Labor Opposition party at the time challenged the government about its use of government aeroplanes. The Minister for Air and senior public servants supported the reluctance of Holt to reveal the names of people who flew on government aeroplanes. They repeatedly blocked information, thereby creating significant embarrassment for the government just before a Senate election (Australian Government, National Archives of Australia n.d.). These historical examples demonstrate that, while claims of politicisation are not new (Podger

2007: 131); they often referred to a person's individual political alliance or characteristics. Contemporary politicisation claims however, are more likely to focus on an individual's behaviour while in office (Mulgan 2007, The Canberra Times Waterford 2002).

From a realist perspective, the politicisation of the APS is a contested topic because some analysts consider that it is a desirable move to make public servants more responsive to ministerial demands. This is because managerialism, using public choice theory, argues that public servants are intractable and lack accountability. Politicisation therefore, is inevitable and justifiable as a means of obtaining greater accountability from the bureaucracy (Podger 2002, Mulgan 1998). On the other hand, from an idealist perspective a professional, impartial public service is essential to democracy and plays a crucial role in effective Australian governance (Williams 2005, Shergold 2003, Podger 2002, Mulgan 1998).

Therefore, a more detailed definition of politicisation setting out both sides of this argument is that politicisation is:

[A] term used to refer to the increasing involvement of politicians in the appointment, promotion, and placement of public servants. It has been used in a pejorative sense to refer to the deleterious effects this is said to have on the quality and professionalism of a career service. These effects are said to include a decline on public servants' willingness to give 'frank and fearless' advice to ministers and the promotion or appointment of public servants because of their known party political sympathies rather than merit, thus leading to an increase in political patronage or 'jobs for the boys or girls'. On the other hand, proponents of politicisation claim that it increases the responsiveness of public servants to their political masters and reinforces the principle of ministerial control of, and responsibility for, the public service (Penguin Macquarie Dictionary of Australian Politics 1988).

While these definitions are useful in identifying the tension existing in the APS, an important debate exists about the validity of politicisation claims and whether they really matter in contemporary governance (Mulgan 1998). Identifying the validity of these claims is problematic however, considering the number and diversity of allegations that have arisen over time. The APS is different from the model used by the United States for example, where senior levels of administration are replaced when a new government is elected (Weeks 2007: 42).

Indeed, the provision of impartial and apolitical advice under the Westminster model is part of the expectation that the APS is able to serve successive governments loyally (Briggs 2005). In Australia, claims of politicisation are significant because the role of the APS includes a professional public service based on impartiality. For that reason, concerns about politicisation, proven or otherwise, matter. The actions of the APS affect the whole of Australia and therefore it is crucial that it not only looks professional, its actions must also be beyond reproach (Briggs 2005).

3.3 Politicisation claims under the Howard Government

Some of the claims of politicisation made while the Howard government held office resulted from incidents that attracted significant attention from academics, the media, government and the public. For instance, the Howard government immediately replaced six departmental secretaries at the beginning of its term in 1996. While this action by a new government was not a recent development, it did however suggest politicisation because the high number of

replacements challenged the Westminster ideal of an apolitical public service serving successive governments (Mulgan 1998: 3).

This type of allegation has increased partly because of the influence of major public sector reform practices undertaken since the 1970s including the adoption of private sector principles under the rubric of 'new public management'. Indeed, the argument existed that '[I]f new management teams are a standard feature in the private sector when companies embark on new directions, why should they not also be welcomed in the public sector?' (Mulgan 1998: 3). The decision however, generated the suspicion that the dismissals were partisan because the previous secretaries did not work with the new government, with the added implication that the government had the right to appoint its own people (Mulgan 1998: 3).

Another claim of politicisation resulted from the 'children overboard' affair in 2001, which generated the Senate Select Committee report 'A Certain Maritime Incident'. The Committee's report concluded that public servants failed to provide 'frank and fearless' advice to ministers by remaining sceptical and alert to inconsistencies in the evidence of 'boat people' or illegal immigrants throwing their children overboard when attempting to seek asylum in Australia (Keating 2003: 95). The primary concern with the 'children overboard' affair was that the behaviour of senior officials was seen to have provided the government with an advantage in the federal election, which was held shortly afterwards. 'It was this feature that gave 'children overboard' so

sharp an edge’ and the impression that the APS Value of responsiveness was more evident than frankness’ (Nethercote 2003: 89).

That is, the incident was a manifestation of the tension between the APS Values of impartiality and responsiveness where the desire for responsiveness disregarded the need for an impartial APS. An analysis of the ‘children overboard’ incident supports the view that objectivity and impartiality are qualities that are essential in the role of public servants. To achieve this, critically assessed evidence leads to the provision of balanced and unbiased advice that avoids stronger conclusions than the evidence warrants (Mulgan 2007: 574).

A third claim of politicisation resulted from the failure of the former Immigration Department to protect Australian citizens from arbitrary incarceration and deportation. For example the report ‘An Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau’ (2005), otherwise known as the Palmer report, concluded that institutional failure rather than individual failure fostered a culture of ‘denial and self-justification’ in the Immigration Department (Palmer 2005). Culture is characterised amongst other things by structure (Delmau and Dick: 1987); however, unlike structure, edict cannot change culture. Failure to consider this is likely to cause a ‘degenerative organisational culture’ in the case of changes at the Commonwealth level (Cahoon: 1988), therefore it is important that the APS has leadership that ensures that the culture in a department is commensurate with the APS Values (Weeks 2007: 44).

With reference to Direction 2.7 of the APS Values, this encompasses the idea that it is essential that '[T]he agency has a culture that supports the provision of frank and fearless advice' therefore this incident may also represent a failure of the APS Values in an institutional context (APSC 2002). This finding of the Palmer report suggests that the approach taken and discourse used by government influences departmental culture. Aspects of this case that support politicisation claims are the lack of accountability on the part of ministers and senior bureaucrats, the failure of senior public servants to pass advice received on to the Minister, and a 'culture that ignores criticism' (Palmer 2005).

These are just three of the claims of politicisation made during the Howard government's term of office. In combination, these claims demonstrate that politicisation today is more than merely the partisan appointments evident early in the history of the APS. The concept encompasses any decision contrary to the rules of an impartial public service (Mulgan 1998: 2). Therefore, several interesting interpretations of politicisation have broadened the concept of politicisation. For the purposes of this research, the concept of politicisation includes:

- Partisan appointments;
- Prime Ministerial power (Kelly 2002);
- New Public Management Principles including contract employment and loss of tenure (CPD 2002), with its subsequent effect on advice;
- The increasing role of partisan ministerial advisers in the provision of policy advice and their lack of accountability (Williams 2005);

- Inadequate record-keeping by public servants anxious to be responsive (Podger 2005); and
- The role of government ideas and ideology on Departmental culture and its ultimate effect on decision-making (CPD 2002).

When analysed together, the incidents are linked to significant public service reform undertaken since the 1970s to change the structure of the APS from one based on a public administration framework to a new public management model. The following analysis attempts to clarify and explain why these changes are considered by some analysts to be manifestations of increasing politicisation during the Howard era, that is, a departure from impartiality towards responsiveness.

3.3.1 Partisan appointments

There are advantages in employing people who will work compatibly with ministers to manage government programmes whilst maintaining ministerial confidences (Mulgan 1998: 22). According to one public servant interviewed:

...if you look right back, you'll see that there're heads of departments who were dismissed because they couldn't get on with their ministers back in the 60s and 70s and the 50s. It's sensible, it's not worth the relationship between people that if it's not going to deliver the results - and undoubtedly, there are personalities that don't get on...

However, the dismissal of six departmental heads when the Howard government gained power in 1996 suggested politicisation because the incumbent secretaries were not given a chance to work with the new government. While the government may merely have wanted to demonstrate to the APS that a new regime was in power; nonetheless, there was also the

perception that the public service was unable to serve alternative governments with equal loyalty, with the added implication that the government had the right to appoint its own people (Mulgan 1998: 3).

This type of allegation has increased partly because of the influence of private sector principles under the adoption of new public management ideas (Mulgan 1998: 2, 3). While these ideas have some merit when applied to the public sector, the APS is not like the private sector where changes to a company's direction illustrate a management change in company direction. Indeed, the appointment or replacement of senior public servants for political expediency has a far-reaching effect on the preservation of a professional public service. Politicising senior appointments is an implicit attack on the professionalism attached to these positions and this tends to demoralise the lower echelons of the APS. This maintains the perception that 'outstanding professional competence' is not necessary nor is it adequate to secure a senior appointment. An important result of this perception is that there is less incentive for public servants to strive in order to gain professional skills and experience (Mulgan 1998: 10), while the possibility of dismissal without adequate explanation may adversely affect the job performance of individuals (Keating 2003: 95).

The changing relationship between public servants and ministers over time has also meant that ministers have demonstrated an increasing lack of confidence in public servants who worked for a previous government. This has subsequently led to the desire to have a ministerial favourite selected as departmental secretary. In the context of advice, this change raises concerns

that while the content of advice may remain constant, the approach used will be different and may possibly focus on political advantage to the minister. The action also reinforces the enduring argument that politicised appointments may encourage politicised behaviour from bureaucrats, particularly affecting the application of the informal convention of frank and fearless advice (Mulgan 2007: 571), which is considered by public servants to be ‘...a matter of professional duty and integrity’ (Weeks 2007: 41). This interviewee’s comment captured the integral notion of this informal convention that:

...public servants don’t go about and say much. Part of that work is that governments and ministers have confidence that we will give them the frank and fearless advice.

In the context of the policy advice role of the APS, partisan appointments, which includes any appointment that is contrary to the rules of an impartial public service, also raises the concern that the more advisers, ministers and senior public servants share the same ideas and ideology, the more likely that ‘groupthink’ effects will arise, which edit challenging policy information. Groupthink is the perception that ‘[W]hen we talk in company we lose our unique tone of voice, and this leads us to make statements which in no way correspond to our real thoughts’ (Friedrich Nietzsche n.d.). It is important to minimise groupthink because the resultant lack of vigorous debate about issues ultimately affects the ethical and public interest nature of the public service (Laffin 1997: 50).

This means that politicisation may be recognisable at senior management level by a lack of the provision of alternative policy suggestions. Therefore, if the

only policy alternatives considered are those that reflect political ideology for example, then empirical evidence is repressed and the fear of introducing such evidence is present at all levels of the public service (Craig 1993). As well, inflexible policy solutions, which appear to be clear when groupthink is present, may prove to be unworkable when other advice is sought (Kelly 2002); resulting in ‘...a distorted view of reality...hasty and reckless policies, and a neglect of ethical issues’ (Hart 1991: 247).

3.3.2 Prime Ministerial power

As a forerunner to the 1999 Public Service Act, the Howard government’s 1997 Public Service Bill added to politicisation claims by recommending that ministerial authority be increased, particularly that of the Prime Minister. The 1997 Public Service Bill was ‘[A] Bill for an Act to provide for the establishment and management of the Australian Public Service, and for other purposes’ (Commonwealth of Australia 1997). The Bill proposed to continue the trend of managerialist reforms and contract employment for senior public servants begun under the Hawke-Keating Labor Government and the process of the abolition of continuity during changes in the ministry (Commonwealth of Australia 1997).

Under the 1922 PSA, the appointment of secretaries by the Governor-General was a ‘symbol of the fundamental loyalty of the Secretaries to the Commonwealth of Australia, and not only to the government of the day’ (Nethercote 1997, Brough and Millett in Sydney Morning Herald November 1,

1997). However, the appointment and termination of senior public servants transferred from the Governor-General to the Prime Minister in the 1997 Bill. While the action was argued to be logical because the Governor-General already acted in response to advice received from the Prime Minister; nevertheless symbolically, it reinforced the apparent connection between departmental secretaries and the government of the day (Weeks 2007: 37).

Therefore, the changes made in the 1997 Bill suggested that secretaries would become ‘officials of the government of the day’ and that ‘...loyalty to the Commonwealth is incidental’ (Nethercote 1997). This is because the Prime Minister has the power to make most senior bureaucratic appointments and to set their pay and conditions. Under the reforms proposed by this Bill, the only other person able to appoint a secretary was the Secretary to the Department of the Prime Minister and Cabinet, thereby increasing the possibility of the politicisation of the public service (Nethercote 1997).

The ‘directive leadership’ style practised by former Prime Minister John Howard added to concerns about the frank and fearless nature of public service advice, because the leader’s own views were often promoted over others, resulting in the suspected limited examination of policy alternatives. This has had positive results as one public servant commented about the increased interest in water policy:

...the other thing that’s happened obviously is drought and the conjunction of drought with global climate change, warming and those issues all of which I think have raised the public profile and awareness of water, and the two have come together. The approach to it, so far, is very

much driven by that - from that competition, markets approach, and the two have come together. Then of course, you've had the PM for his own reasons picking up on that and putting his own name on it, which is great because there is no way, there is no way that these sorts of reforms to water in a federal system, where water is a State matter would have happened without the PM and that COAG framework.

Nevertheless, a directive leadership approach may result in the partial review of policy alternatives and the lack of further scrutiny of not only the selected alternatives, but also those alternatives that have been discarded (Aldag and Fuller 1993: 539 in Monash University 2005). The result of such a leadership style has arguably meant the formation of an acquiescent public service that functions in a '...“political” environment that does not recognise that political ideology grossly over-simplifies the requirements for effective public administration' (CPD 2002).

From a structuralist perspective, the implementation of new public management principles has led to the suggestion that this has allowed the neoliberalist agenda favoured by the Howard government to come to the fore in the APS (Heywood 2007: 397). Ideas justify behaviour (Hollander 2008: 86), and it is a concern that the focus of an apolitical public service on a particular ideological perspective may limit research into the positives and negatives of a proposed policy. It is therefore necessary that the public service keep its distance from political imperatives, permitting ministers to observe the weaknesses of certain proposals as well as their strengths (Heywood 2007: 397).

3.3.3 New Public Management Principles

Politicisation charges also refer to structural changes to the employment practices of public servants from public sector reforms. A traditional, professionally neutral public service is also known as a ‘career’ service, and includes characteristics such as permanency of tenure, an across-the-board system of wage scales and job classifications, external recruitment barriers and access to avenues of appeal (Mulgan 1998: 4). In the past, merit-based appointments shielded public servants from political influence, and independent bodies such as public sector boards undertook recruitment. Permanency of tenure guaranteed employment security, and the role of the public servant was to be an anonymous implementer of policy (Williams 2005: 19).

These factors about the traditional model of public service demonstrate that ‘[M]erit-based employment in the public service is about many things, but particularly about safeguarding the public service against politicisation’ (Uhr 2000: 14). The traditional administrative model sets out the principle that the public service is separate from the political process; therefore, advice could be offered fearlessly and independently. Clear, informal conventions were also present in the traditional model regarding the behaviour and conduct of public servants, which was considered to be an ethical undertaking committed to ‘...principles of justice, fairness and equity’ (Gahan 2007: 232).

Nevertheless, the desire for reform of the APS began several decades ago. The RCAGA concluded that the convention of a career service had resulted in a 'self conscious professional class'. The Commission recommended new approaches to "...break the pattern of 'cultural and intellectual inbreeding' and to give rise to a new ethos – 'flexible and responsive as well as responsible'" (RCAGA 1976: 17). The RCAGA however, did not recommend placing departmental secretaries on short-term contracts; and did not consider a significant reduction in entry-level recruitment. Both of these decisions later signalled the end of the traditional 'telegraph boy to Director-General' public service career. The RCAGA did not predict the private sector would play a significant role in the public arena (Colebatch 2002: 98). From the perspective of one of the interviewees:

[T]here certainly was a push to bring into the public sector a number of the private sector management arrangements. Some of those I think were successful and some of those - having been tested - aren't as applicable to the public service. But the one thing that you'd find particularly when we talk to people in the private sector or someone from the private sector comes in, they find that the transparency and the accountability arrangements they've to be accountable to as a public servant quite daunting. It's not something they've experienced at all in the private sector. And if you like, the decision making process they can also find a bit cumbersome because you've got to obviously do things on behalf of the government whereas in the private sector it's on the part of the company, they're smaller entities.

The introduction of flexibility into the workplace included using contracts, subsequently diminishing the secure position of public officials. The relationship of minister and secretary has now become more equalised by making the job of secretary 'no more permanent than the minister' (Halligan 1997). At the time, these changes were seen by the Australian Public Service

Commission (APSC) as a means to ‘...provide more flexibility for the government to appoint people it considers best able to meet the responsibilities of Secretary positions and to address the government’s policy priorities’ (APSC 2003a: 74 in Williams 2005: 24). The changes were also seen as a means of ensuring that senior public servants would resist promoting their own agenda (Williams 2005: 25), as in the era of powerful public service mandarins discussed in the previous chapter. In the context of the policy advice role of the APS however, these changes have resulted in the reduction of:

...a long term view among secretaries, with a new emphasis on short-term objectives, described as the parking meter view; they feared that the greater vulnerability at the top meant that there was different advice coming from within the department, based on the ethos that ‘this is what they want to hear’ (Weeks 2007: 41).

It was not until 1984 that the removal of permanent tenure for departmental secretaries began, and ten years later, the implementation of fixed term appointments for secretaries. At this time, most senior public servants accepted five-year contracts and salary increases in return for insecure tenure. These offers of employment were not strictly contracts however; a contract implies negotiation has been undertaken and standard arrangements are in place. In practice, what occurs is the acceptance of a letter of appointment in which a secretary’s rights are restricted because the government may ‘terminate’ the ‘contract’ whenever it decides. This became manifest at the sacking of six secretaries after the election of the Howard government in 1996 as previously discussed, an action that confirmed at the time that tenure was indeed a thing of the past. The threat of dismissal or non-renewal of the contract subsequently became real to senior public servants (Podger 2007: 136-7).

A further important development was the introduction of three year contracts rather than the traditional five year contract offered when employment came up for renewal. Since 2001, almost half of the contracts offered have been for three-year terms. Secretaries argued that a three-year term was inconsistent with not only good management principles, but also with the ideal of a professional, impartial public service. However the opinions of some ministers suggested a perception of ‘...why should secretaries get five years when we have a maximum of three years?’ was apparent in ministerial circles, leading to the suspicion that the value of an apolitical APS was not recognised by some ministers (Podger 2007: 137-8).

Other concerns at the introduction of contract employment focussed on the status of public servants and the future of the APS because the reforms distanced the APS from the Westminster model. Increased employment vulnerability and insecurity from contract employment, generated the fear that policy advice would be affected (Halligan 1997, Nethercote 2003). Like contract employment, performance pay implemented in the late 1980s, is a significant issue for debate in the context of politicisation. In the past, departmental secretaries were not eligible for performance pay, which was managed in the public service with no input from ministers. Therefore, its impact on the professional, impartial nature of the public service was negligible. Performance pay, introduced in 1999 for departmental secretaries, created debate on who would make the decision to issue a performance bonus and how that decision would be made. A significant statement made by a senior public servant outlined more subtle concerns:

[H]ow will someone be rewarded for rightly doing something a minister doesn't like (or rightly not doing something a minister wants)? And how will someone be penalised for not doing something they should have (or doing something they should not have done)? (Podger 2007: 139).

3.3.4 Political advisers

Another institutional change that has resulted from public service reform is the increased size and power of the ministerial office; an action that has raised accountability issues of contested advice. Proponents of the change argued that it would assist the public service by lessening its involvement in overt political matters (Spann 1976 in Keating 1999: 43). A contrary argument is that the increased role of ministerial advisers in providing policy advice in particular, has not only politicised public administration, it has also weakened the authority of the APS (Shergold 2003).

These changes made to the role of ministerial adviser dated from the Whitlam era in the 1970s, creating debate in the RCAGA regarding the appropriate role of the ministerial office and the success of the changed arrangements. The debate focussed on the revelation that some partisan staff were performing active roles in policymaking, a shift that was perceived as a 'sinister and dangerous development' and 'a mistaken departure from the earlier role of the minister's private office' (RCAGA 1976: 103). Former opposition senator John Carrick noted in 1973 the 'insidious' development of ministerial advisers who were influential, anonymous and mainly unaccountable, and who 'prevent the department from giving its authentic and responsible view to the Minister' (Commonwealth of Australia 1973: 2147-2148).

Initially, ministerial advisers acted as private staff performing primarily administrative and liaison services for ministers and often came from the public service (RCAGA 1976: 103). Supporters of advisers argue that they perform a useful governance role by dealing with confidential matters, and liaising with the media and party organisations. They assist the public service perform its duties, and challenge and check public service advice while adding a perspective that reflects their close association with the minister (Shergold 2004: 11; Keating 2003).

It was in 1983 that the Hawke Labor government openly recognised that partisan advisers were politically useful to ministers. Advisers were ‘...an important political tool to control the bureaucracy’, and ‘[M]inisterial...control will be bolstered only if large numbers of politically committed people can have a close involvement in the development and implementation of policy’ (Commonwealth of Australia 1983: 23 in Maley 2002: 105). As one interviewee stated regarding the conflicting nature of ministerial advisers in practice:

[T]he increase in ministerial advisers I think might be the area if there was one about politicisation that's worthy of a bit of discussion and examination. Because in the past there was a much more direct relationship between the minister and his or her department. There's been a growth of intermediaries...they're not necessarily a bad thing. If you've got good ministerial advisers, they can make life so much easier for both the minister and the department because they can be a really good conduit between the implementation issues the department has, this is the government's political imperative, and they can often bridge between some of those and help in designing both to make it more effective. They also help to bring extra dimensions in. But on the other hand if you get a set who are very political and perhaps not terribly experienced in some of these things, that can make life a bit more difficult.

Further developments in the role of adviser occurred in 1984 when ministers began employing their own staff. While this decision arguably protected the apolitical nature of the public service, critics warned of future problems regarding conflicting advice (Williams 2000).

Traditionally, ministers communicated with their departments through their departmental secretary (Keating 1990: 95); and the advice that ensued from this communication assisted ministers in establishing the public interest amongst competing, self-interested and sometimes partisan advice (Podger 2005: 15). Under the APS Values framework, the departmental secretary, unlike the adviser, has an obligation to be frank and impartial by ensuring that the minister receives necessary advice not just advice that he or she wants to hear or that fits in with the ideology of the day (Keating 1990: 95). Other sources of advice reflect specific interests unlike the APS, which is sustained and constrained by the APS Values (Briggs 2005: 2).

Nevertheless, ministerial advisers have been accepted over time and their role has been defined as partisan; with the political commitment of advisers being the primary distinction between adviser and bureaucrat (Maley 2002: 106). An emerging problem has been however, that there is now someone who acts between the secretary and the minister, also providing advice and putting an alternative spin on issues, subsequently contributing to pressure on the system (Weller 2003: 85).

Historically, ministers managed the conduct of advisers, subsequently taking responsibility for that conduct. Specific incidents however, such as the Senate Select Committee (2002), A Certain Maritime Incident, otherwise known as the ‘children overboard affair’ accentuated concerns regarding the accountability of ministerial advisers and their relationship with the public service. Governments have argued that advisers are accountable to their ministers and through their ministers to Parliament; and demands that they be made accountable to parliamentary committees for questioning had been resisted under Howard (Keating 2003: 92). In practice however, it is a myth that whatever is told to the ministerial staff is told to the minister. It is also a myth that ministerial staff requests come from the minister (Weller 2003: 85).

These concerns have some merit because following the ‘children overboard affair’ for example, the Senate Select Committee (2002: xxxvii) found that: ‘[I]t can no longer be assumed that advisers act at the express direction of ministers and/or with their knowledge and consent. Increasingly, advisers are wielding executive power in their own right’ (Keating 2003: 93).

Therefore, neither ministers nor advisers automatically assume that ministers will take responsibility for the actions of their advisers. The Senate Select Committee A Certain Maritime Incident recommended greater regulation in the way advisers wield power because their lack of accountability in the ‘children overboard’ affair raised the issue that ‘...the government appears to have created a serious accountability vacuum’ (Keating 2003: 92).

3.3.5 Record-keeping

Inadequate record keeping is an example of a lack of professionalism and inhibits accountability mechanisms necessary to protect public servants when incidents such as the ‘children overboard’ affair occur (Podger 2004, Shergold 2004, 2003). Minimal records hide the decision-making process and it is arguable whether this is to protect the public interest or the government’s interest. It is argued that partisan interests are protected and responsive public servants are ‘...encouraged to give more weight to the concerns of ministers than to the public interest and the implicit and explicit requirements of administrative law’ (Podger 2004).

Records as defined in the Archives Act 1983 include ‘papers and documents, emails, spreadsheets, information in business systems, notebooks and diaries and even ‘Post-it’ notes. Records also extend to formats such as photographs, films and sound recordings’ (Australian Government 2007: V). There are different categories of records including:

- Records of low value, to be disposed of when no longer useful;
- Useful or important records, to be stored as long as necessary; and
- Important records stored indefinitely (Australian Government 2007: V).

The Australian government report ‘Note for File: A Report on Recordkeeping in the Australian Public Service’ (2007) states that:

[G]ood recordkeeping is a necessary element of good governance. Good recordkeeping supports efficiency and accountability through the creation, management and retention of meaningful, accurate, reliable, accessible and durable records of important government activities and decisions. Good records are necessary for government to keep track of

what it has done, so that future activities can be examined on the basis of a comprehensive and accurate knowledge of what has occurred and what has been decided in the past. Retaining the corporate memory of government, in the form of records, helps public servants perform their duties efficiently, effectively and ethically, and ensures that we maintain audit trails necessary for public accountability and transparency' (Australian Government 2007: 17).

The 'children overboard' affair in particular raised concerns about the adequacy of record keeping in the APS. New technology has changed record-keeping practices whilst reform practices such as the implementation of the Freedom of Information Act (FOI) 1982 have constrained the decision-making process. This is because of perceptions that the Act has undermined the confidential nature of government, and these concerns have resulted in counter-action arguments. This means fewer file records than previously, diaries destroyed and documents given higher classifications than necessary to minimise access under the Act. This has affected the maintenance of records needed to clarify the decision-making process and to allow accountability (Podger 2004).

Keeping accurate records is as important in the contemporary APS as it has been throughout its history. However, technological advances have meant that the increased informality of communication between departments and their various sources of information has resulted in the avoidance by ministerial advisers in particular, of the quality control and checking mechanisms set by the APS. Uncertainty now exists about '...what constitutes communication and advice between agencies and ministers' (F&PA 2003, p 78 in Tiernan 2007: 220).

Concerns about record keeping also encompass the expectation that ministerial advisers should be held accountable when handling documents, so that a 'paper trail' may be available to identify whether the minister saw the documents or did not see them. In the 'children overboard' affair, former Prime Minister Howard was not informed of certain information because of the perception that he would not want to know '...because it allowed plausible deniability to continue' (Weller 2003). There is no tangible evidence that the Prime Minister was aware of the facts at the time. However there is evidence that several staff members were aware and chose not to inform him. This evidence is supported by ministerial documents containing advice from senior public servants returned from ministerial staff marked 'not seen by the minister' (Weller 2003).

It is speculation whether ministerial staff wanted a paper trail to reflect that the minister had not seen the information. It is clear however, that these types of incidents are creating new problems and pressure upon the relationship between ministerial advisers and public servants. They raise the issue of whether public servants should be fearless and ensure that the minister is informed, or whether they should be more responsive by providing information on what the minister wants (Weller 2003). Today, government information is more open and bureaucrats are under increasing pressure to protect their ministers by not revealing details that will damage them politically. It is not clear if the pressure is overt or is simply the result of the routine working environment (Mulgan 2007: 580).

3.3.6 Culture and ideology

The implementation of reforms attempted to change the culture of the APS from a process and rules-based institution, to one where individual performance was paramount. Performance-based pay was an important method used to change the values, beliefs and behaviours of public servants from a rules based culture relying on collective bargaining and union influence, to a culture consisting of individuals committed to individual agency goals rather than an over-arching public service framework (O'Brien and O'Donnell 2007: 133).

Competition in performance ratings and achieving a high profile with managers stimulated responsiveness. It is common for people to strive for promotion in their employment, but the effect of performance management is that '...people strive for visibility. They're looking for opportunities in which they can achieve things, tangible results, quickly'. The system relies on short-term incentives and is 'divisive and undermines relationships between staff' (O'Donnell 2007: 79). Indeed, '...individual performance indicators can distort the clear line of sight to organisational objectives given the tendency of the measurable to drive out the important' (McDermott 2008: 56).

'An Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau' (2005) attracted significant media attention regarding the policies of the Immigration Department during the Howard era, and raised questions about the part that culture has played in politicisation debates; '...culture is characterised

amongst other things by structure' (Delman and Dick: 1987). A definition of organisational culture is 'widely shared and strongly held values' (Chatman and Jehn 1994: 524). However, departmental culture cannot be changed by law notwithstanding structural changes resulting in a 'degenerative organisational culture' in the public service (Cahoon, 1988).

Aspects of the Rau incident that support politicisation claims are the lack of accountability on the part of ministers and senior bureaucrats, the failure of senior public servants to pass advice received on to the minister, and a departmental culture that disregarded outside criticism. In other words, the incident was a product of the system rather than a failure of the system (Mares 2005).

Government ideology and an individual performance framework drove the culture of the Immigration Department at the time. Public servants who took a hard line approach to 'illegal immigrants' were given more cases and were also more likely to be promoted than those with a sympathetic outlook to 'asylum seekers' (ABC 2005). It is speculation however, whether this type of politicisation was the result of implied pressure from ministers or willingly undertaken by public servants. Nevertheless, it is feasible that the lack of a 'rigorous culture of challenge' in the public service would elicit voluntary politicisation (Mulgan 2007: 578). What existed in the DIMIA at the time of the incident was an 'assumption' culture that relied on tacit directions where it is argued that '...because some things are assumed to be right, others must be assumed to be wrong' (O'Donnell 2007: 80).

When implied political guidelines and expected administrative directions conflict, public servants face a dilemma. Unless management clarifies the situation by giving clear, obvious orders, public servants may concentrate upon their own individual performance agreements. In the Rau incident, the department was criticised for encouraging an ‘...environment in which people are unwilling to accept ownership of matters beyond their immediate responsibilities, regardless of the importance of the matter and the obvious need for continuity in its management’ (McDermott 2008: 56).

3.4 Politicisation: discussion

The previous analyses of politicisation suggest that claims about the politicisation of advice tend to focus on proof where realities are affected by truth or lies. The input of public servants however, is apolitical and objective. The politicisation that was alleged to have occurred in the ‘children overboard’ affair for example, focused on the erroneous presentation of facts about the situation (Mulgan 2007: 572). As conceded by Shergold (2004):

[T]he fact that children were not thrown overboard, the failure to find weapons of mass destruction in Iraq and the fact that the ministers were unaware of the military situation reports on prison conditions sent from Baghdad: these, to many, seem evidence of the unrelenting decline in the quality of public service leadership (Shergold 2004: 11).

Advice however, also encompasses policy alternatives in which concerns about accuracy and neutrality are not apparent. Therefore, politicisation may also extend to policy advice. Governments routinely select and retain policies for political purposes that do not necessarily reflect the empirical evidence.

Evidence provided by the government ‘...becomes the official rationale for decisions rather than part of their actual justification – hence, the motive for the politicisation of factual advice’ (Mulgan 2007: 572).

While claims of indirect political pressure are hard to prove, they are also difficult to deny. It is apparent that politicians, when questioned, tend to focus on overt forms of politicisation such as direct orders. When there are no apparent direct orders to manipulate evidence, politicians have been able to reject claims of politicisation. It is important to note however, that while indirect pressure may be more difficult to identify than direct pressure, it is often as successful in its aim (Mulgan 2007: 578).

One form of indirect pressure is the practice of attributing bias or ‘spin’ to evidence. Spin may mean anything from absolute truth to categorical lies. The presentation of facts in a positive way or by choosing those facts that support the favoured viewpoint while ignoring others that may challenge the assumption. While it is arguable that there is little differentiation between outright lying and presenting a favourable argument by manipulating evidence, contentious or ‘wicked’ issues are more likely to give rise to claims of partisan bias than simple or tame problems. These claims are difficult to alleviate, and difficult to prove. When misrepresentation of facts can be proven however, such as that children were not thrown overboard, politicisation claims are usually effective (Mulgan 2007: 575).

As previously stated, this research is particularly interested in the claims of politicisation that affect the policymaking role of the APS, focussing on its provision of impartial and responsive advice to ensure equity and effectiveness in developing policies pertaining to wicked problems such as poverty and water. Some of the forms of politicisation identified would arguably affect policymaking more than others. However, it is reasonable to suggest that they all have the potential to affect the provision of frank and fearless advice by public servants to their ministers. Further analysis of these claims of politicisation identifies a common factor. That is, significant public service reform undertaken from the 1970s has affected the ideal perception of an apolitical APS providing impartial advice. To reiterate, reform was undertaken to change the public service from the traditional model of public administration to a new public management model which demonstrates ‘...increased responsiveness to the elected government; improved efficiency and effectiveness, with devolution and stronger emphasis on results, and greater community participation in government’ (RCAGA 1976 in Briggs 2005).

It is important to realise that the claims of politicisation made during the Howard era are not only highly contested; they are also subjective and therefore cannot be proven either true or false. It is, of course, debatable therefore whether public service reform is politicisation. However, the reforms undertaken since the 1970s may have been successful in setting up a framework that is conducive to greater political control of the APS as an apolitical entity providing impartial policy advice to governments, as the following political objectives demonstrate.

Political aspirations were clear when the RCAGA was set up in the 1970s to identify changes necessary in the APS to make it more responsive to the Whitlam government's reform agenda. Identifying the stable and enduring nature of the APS as the main impediment to reaching political goals resulted in the decision to implement new approaches to change the culture of the APS from a rules-based institution to one that embraced flexibility and responsiveness (RCAGA 1976: 17).

The desire for greater responsiveness to ministers in policy development also resulted in significant reform of the ministerial office in which increasing the number of political advisers was proposed by former Labor Prime Minister Hawke as '...an important political tool to control the bureaucracy' (Commonwealth of Australia 1983: 23 in Maley 2002: 105). Indeed, it was argued at the time that '[M]inisterial...control will be bolstered only if large numbers of politically committed people can have a close involvement in the development and implementation of policy' (Commonwealth of Australia 1983: 23 in Maley 2002: 105). The political desire for reform of the APS by the Hawke government in the 1980s was encapsulated by former Treasurer Paul Keating who reflected that:

[C]entral to our reforms of the public service was the desire to ensure that the government of the country belonged to the elected politicians. We stated at the outset that a key objective was to make the Public Service more responsive to the government of the day, more responsive in the sense that it would be better able to recognise and achieve the Government's overall policy objectives (McDermott 2008: 3).

These comments identify that there were obvious political aspirations behind the desire for reform of the APS. In the past, the idea of a career service was one way to reduce the incidence of politicisation. Therefore:

[I]n a career public service where everyone starts as a cadet and has opportunity for eventual promotion to leadership roles only by working their way up through the ranks, sound judgement can be cultivated through the accumulation of experience and relationships forged with one's seniors and peers, who have likewise had long-term exposure to the purpose, values, and principles that govern the agency and wider public service. Promotion and reward are tied, moreover, to behaviours aligned with the agency's ethos (cf. Hood and Lodge 2006, pp. 168–9).⁷¹

Public service reform undertaken since the 1970s has diminished the idea of a career service however, and to rectify this loss, the Howard government legislated for specific values to '...help protect the APS against inefficiency and poor performance, but also against politicisation, fraud, corruption, inequality and the inability to conduct business confidently' (Briggs 2006: 8).

While the Values have an important place in articulating what it means to be a public servant in a departmentalised public service (Roberts 2004: 37); incidents of alleged politicisation have highlighted the integral tension between the APS Values of impartiality and responsiveness as discussed in the previous chapter. This resulted in the contested perception that public service advice is limited to what ministers want to hear, whether from overt manipulation by ministers, by gate keeping practices of ministerial advisers or by the underlying impression that ministers would not receive some viewpoints well (Shergold 2006 in Weeks 2007: 43). While successive governments have denied this perception, its endurance remains a valid concern.

The primary principle of impartiality is that a public servant is able to transfer loyalty when a minister or government is changed (Keating 1999: 46). Under NPM principles, the shift towards responsiveness is clear; nevertheless being able to identify and quantify reform actions as politicisation is complex and difficult to ascribe to any one particular action (Weeks 2007: 44). Yet it is feasible to suggest that reform measures to make the public service more flexible and responsive to government have affected the policy process. Therefore, this thesis analyses the effect that major public service reform, adopted with a view to change the structure and culture of the APS, has had upon its ability to solve ‘wicked problems’. As the analysis of the case studies demonstrates in the following two chapters, these types of problems are unclear, they are debatable and encompass integral moral and political factors (Rittel and Webber 1973: 160).

3.4.1 Wicked problems and the APS

It is essential for a healthy democracy that institutions promote equitable, responsible behaviour and decision making. In Australia, this concept has been challenged because of a lack of trust and respect for institutions and politicians; the promotion of managerialist ideas that treat citizens as customers of government; the impact of globalisation factors; and the lack of creative public debate and research into social and environmental issues in particular (Yencken and Porter 2001: 48).

Public policies reflect a society's goals. They must be effective, efficient and have a long-term outlook (Curtain 2000: 36). To achieve this, understanding the issue at stake is necessary, and the end-users of the policy should have some influence in the policy process. To achieve good policy, departments and agencies should be able to work together rather than as separate entities. Short-term and fragmented approaches that sometimes lead to unintended consequences are not desirable. It is also important to identify the outcomes of policies, including their effect on all members of the population. Costs and benefits should be analysed, and learning from experience and the evidence is essential (Curtain 2000: 37).

Trust is only possible in situations with clear processes in which every citizen plays a role, not forced to endure major discrimination or manipulation by public policies. Trust needs democratic institutions and processes as well as a stable community, which includes all citizens. It is therefore, essential to trust politicians and government institutions, strongly related to the future and strength of a democracy. However, the politicised conduct of officials, and a clear lack of vision in policymaking have weakened public trust (Yencken and Porter 2001: 49).

When formulating public policy, governments rarely face benign issues; a significant amount of policy work encompasses enduring 'wicked' or intractable problems (Rittel and Webber 1973: 159). A single institution cannot solve wicked problems. However, the lack of interest group consensus about the causes and approaches to these problems is a significant impediment to

implementing policies to solve the problem (Commonwealth of Australia 2007: 1).

Wicked problems are not new; they have always been a challenge to governments with traditional public administration approaches perceived as having limited success in providing solutions. From a traditional administration perspective, the way to solve policy issues is through a linear process of obtaining an understanding of a problem, which will in turn lead to an agreed-upon definition. Research, data analysis and consultation with stakeholders are undertaken. An appropriate action can be chosen when the problem is identified and the input from stakeholders analysed. This then, moves on to the formulation of the desired outputs and outcomes that will result from the policy implementation. Traditionally, the importance of following a methodical system was greater if the problem was identified as complex or wicked (Commonwealth of Australia 2007: 11).

The limitations of such an approach in areas that are intrinsically complex however, led to the proposal in the 1980s that new public management principles would be a better way to address wicked problems (Doyle, Claydon and Buchanan, 2000). Theoretically, the public interest would be better served from a neoliberalist perspective embracing flexibility and a focus on outcomes rather than a public service that emphasised rules and processes. Neoliberalists also argued that increasing the efficiency of public services would improve public welfare through growth in the national economy (Hess and Adams 1999: 4). However, the neoliberalist idea that economic growth would serve

the public interest is contested in practice, because poverty, social and economic inequality as well as environmental degradation continues to be problems in Australia (Yencken and Porter 2001: 40).

From a public administration perspective, wicked problems require analysts with the ability to see the big picture; that is all the interconnectedness of problems and policies. The traditional framework of administration focuses on monitoring inputs and ensuring due process; significantly limiting the public servant's ability to expand thinking. Traditional public administration also means that employees were recruited at entry level and remained in the same area, as in the telegraph boy to head of department idea. This practice encouraged specialisation in policy areas and it resulted in the creation of separate departments or 'silos' that fragmented knowledge about wide-ranging issues. These characteristics of traditional administration combined with increased contestable advice from interest groups, resulted in a coping strategy of dealing with wicked problems that remained unable to undertake the 'big issues' (Head and Alford 2008: 9). As one interviewee noted:

I think another thing where we are not quite as good as we could be but are getting better at, is to say if we can't solve some of these problems in the direct lines of accountability and responsibility of departments and ministers ... some of the problems cut across society as a whole. So you need to bring a whole of government perspective to these, you need to invent different arrangements in involving a department for a program or somebody else for example. We need a much more holistic response to these problems because they usually are across problems as well, which is why they're wicked.

The pluralistic nature of government advice is a significant factor in identifying the causes and solution of wicked problems. While the increased contestability

of advice resulting from public sector reform measures may be identified as a ‘democratisation’ of advice, different values between groups means that there is rarely consensus. Without some overall theoretical framework, there is no conclusion about which view is the most valid. To argue that traditionally policy decisions should be made by well-informed experts and ministers, is to dismiss the fact that these forms of advice are still value laden and therefore are unable to be concluded as either true or false. To substitute expert professional judgment for those of contending political groups may make the rationales and the repercussions more explicit, but it would not necessarily make the outcomes better (Rittel and Webber 1973: 169).

Contemporary life with all its complexity generated by for example, greater democracy, reliance on the market and private enterprise, increased communication and technology has resulted in the identification of many differing values amongst stakeholders (Roberts 2000: 2 in Head and Alford 2008: 7). This complexity means that there is arguably no identifiable origin of the issue and therefore no absolute way to approach the problem. Rittel and Webber (1973) suggest that if the failure to agree on the problem is the main issue, then the solution would be to simplify the problem to achieve consensus. However, if inadequate knowledge is the problem, then more research is required to strengthen the information base to achieve agreement. In other words, to define a problem is to suggest a solution. It is important to recognise however, that all problem definitions and therefore solutions will be limited; ‘[H]owever, even if specific approaches to wicked problems will necessarily be

imperfect, political necessity requires that attempts must and will be made to address them' (Head and Alford 2008: 7).

While the nature of wicked problems is complex, the move to managerialist principles to structure the APS and its policy processes has increased the complexity of wicked problems. There is logic behind shifting the focus of the APS from inputs and processes to outcomes, which may be gained by alternative approaches rather than restricted by a framework of rules and regulations. Nevertheless, responsibility is a concern in this approach. This is because the managerialist model tends to separate departments and agencies in the mould of 'semi-autonomous strategic business units' (Alford 1998; Boston et al 1996 in Head and Alford 2008: 12) returning an 'efficiency dividend' to government (Parliament of Australia 2008).

This decision raises concerns that in the context of wicked problems, '... treating agencies as distinct businesses has the potential to constrain effective whole-of-government management' (MacDermott 2008: 17). This is because these 'business units' often have different agendas, but may actually be linked when wicked problems are analysed. As one public servant interviewed explained:

...when advice comes from a line agency it necessarily emphasises the particular aspects of that portfolio. They will have - or ought to have - regard to other portfolios, but the reality is they would in most cases emphasise their own portfolio interests, and that's natural, as they are serving the minister responsible for that portfolio.

This perception challenges the idea that a whole of government approach is possible when policy issues arise under a departmentalised public service. The

managerialist practice of contractualism to the private sector has affected policymaking processes to address wicked problems by fragmentation of information focussing on outputs rather than outcomes. This is because private contractors, whose business is primarily economic, find it simpler to outline economic outputs than the social or environmental outcomes necessary for successful public policy (Carter et al 1992; Wilson 1989 in Head and Alford 2008: 12).

A less tangible but no less important consequence is the perception that contracting out public services is a rejection by the government of one of its core functions, which is the wellbeing of its people, and subsequently raises issues of social justice (de Laine 1997: 14). The concept of social justice when put into the context of public policy encompasses ideas and principles such as:

- Rights, which means the policy recognises social responsibilities as well as individual rights;
- Equity, or the unbiased treatment of all interested or affected groups;
- Participation, that is to ensure that the policy does not affect the ability of people to fully take part in society; and
- Access to government services (Bridgman and Davis 2000: 59-60).

By removing economic distribution away from the unpredictability of the market, social justice principles guarantee that all people have an investment in society and that each of them has an reason to participate (Heywood 2007: 440).

Relying on economic outputs to illustrate efficiency means that flexibility in thinking up different methods to achieving desired outcomes is severely limited. Also, the separation of service delivery from policy formulation under public sector reform has fragmented knowledge about the interrelated factors that create or affect wicked problems (Head and Alford 2008: 12). This is because arguably, the practice of contractualism has unduly affected the advocacy role of non-government organisations (NGOs) (Stewart 1996 in Head and Alford 2008: 13). While there have always been interest groups and individuals trying to influence public policy, under NPM reforms this has been greatly accelerated. However, the argument that contested advice broadens debate and therefore ensures greater democracy has not gone unchallenged (Maddison and Hamilton 2007: 78, MacDermott 2008: 27).

In the 1970s, the desire for a just society led to government funding of groups that assisted marginalised people to ‘give them a voice’. When the Howard government came into power, some NGOs lost their funding from the federal government. While Johns (2004) argues that ‘...the few [charities] that have been removed from the list in recent years had all but ceased to exist anyway’ (Johns 2004: 303); nevertheless, it is notable that many of these organisations represented ‘...some of the poorest and most disempowered Australians’ including for example, ‘the Australian Federation of Pensioners and Superannuants, National Shelter, the Association of Civilian Widows, and the Australian Youth Policy and Action Coalition’ (Sawer 2002 in Staples 2006: 8).

Research undertaken by Melville in 2000-02 identified the loss of significant funding to approximately fifty percent of the organisations studied, with about twenty percent losing all of their government funding. One of the findings of this research was that almost one third of these organisations had their funding withdrawn because of their advocacy role and changes made to funding rules (Staples 2006: 8). Johns argues that the ‘...right to speak out and to influence public policy is nowhere under threat, because this ‘right’ is not granted by the government. It is a long established practice secured by a generous public and buttressed by a very vigorous free press’ (Johns 2004: 303). However, ‘...what checks exist if the organisations designed to act as a check on government are now an arm of government?’ (Edgar 2008: 1).

According to O’Shea, many not-for-profit organisations (NFPOs) reported that a number of the new accountability requirements were necessary for the effectiveness of their organisations; and indeed proved to be valuable in organisational management. It was not the concept of contracting, but the unmistakable disparity and strict rules and regulations in the contracts that created concern (Sidoti et al 2009: 4).

As some of the interviewees pointed out about contested advice:

[A]t one end, as distinct from lobbying and advocating (which others do and we often partner with people who seem to do that - and there are all sorts of shades there) there is the other end which is actually making decisions.

The other thing to note, is that stepping aside for a moment, they’re all funded by industries. So they all actually have a different focus. They have to do the things the industry wishes them to do, and most of those are linked back to productivity...

...in fact we do more than talk - and this is risk management - we partner. We actually partner in the sense that we do research projects on policy relevant issues with such groups, into which they put their money and their name and in which we put our government money and our name alongside them. But the name of the game for us is to make sure – and it is something we are always concerned about - is that what we do is good quality social science research because that's our core business. We're a research and development corporation and we are transparent in what we do. It is completely transparent - the procurement processes etc - and then the reporting and everything else. The quality control is also very important and that raises all sorts of issues. I can think of a case in point at the moment where it took us twelve months between the time that we started talking to - what could be (by some people) perceived as a lobbying body who had an idea - and the ... but we work in terms of reference methodology procurement; who's going to do it, how its going to be reported, how its going to be badged, how its going to be communicated. All those things took twelve months between the first conversation and the appointment of some researchers to do the work, which is just commencing now. And that's just a measure of the transaction costs, the risk management and sensitivities involved in trying to do a deal like that, that respects both our mandate and role, and the role of these other bodies without necessarily compromising. But it's still risky and doesn't mean that despite all that effort, there aren't going to be problems. We hope there won't be problems, and we hope that there is a contribution to inform the debate but...

Under the Act, levies are imposed on producers of commodities; in other words the producers actually have to pay this money to do research and development through these corporations so it's, in part, their money. Then the government matches that with government money, and that too, has interesting implications for what research is done, how it's done, with what impact and what ends.

Historically, non-profit organisations, churches and advocacy groups such as the Brotherhood of St Lawrence, the Australian Conservation Fund and the Red Cross provided support to the community and contributed to policy debates by generating research into public policy issues (Maddison and Hamilton 2007: 78). In 1991, the House of Representatives Standing Committee on Community Affairs reported that '[A]n integral part of the consultative and lobbying role of these organisations [NGOs] is to disagree with government policy where this is necessary in order to represent the

interests of their constituents (Staples 2006: 3). To ‘challenge’ public policy therefore, has always been an important role of these types of organisations. However, when the Howard government achieved power in 1996, the Prime Minister presented a Menzies Lecture called ‘The Liberal Tradition: The Beliefs and Values Which Guide the Federal Government’. In this lecture, NGOs were identified by Howard as ‘single-issue groups’, ‘special interests’ and ‘elites’ and he assured Australia’s citizens that, in the liberal tradition, his government would be ‘...owned by no special interests, defending no special privileges and accountable only to the Australian people’ (Howard, 1996).

Howard’s statement reflects a public choice perspective that is part of an overall neoliberalist philosophy. Using public choice theory, only elected officials are accountable to the nation; therefore, NGOs are unaccountable for their policy input. Using a public choice perspective, interest groups are greedy, and their aim is to gain economic advantage for their groups that limits economic growth. This approach ignores philanthropy and other behavioural theories (Staples 2006: 5).

At that time, NGOs were encouraged to continue their role in the community of providing voluntary assistance to people or the environment. Under an NPM approach to public services, they were also encouraged to participate in partnerships with the government to supply some public services such as employment services. The advocacy role of NGOs however, was inconsistent with public choice theory (Staples 2006: 7).

The managerialist approach to outsourcing the service provider role of the APS to Australia's NGOs significantly limited their role in providing empirical data to inform public policy. This is because the costs of becoming a service provider meant that some NGOs became dependent on the government contract to provide their services to the public, and carry out their responsibilities to their employees. Subsequently, this changed role has made it more difficult for churches and other organisations to criticise government policy (Staples 2006: 20). To ensure a successful partnership, bureaucrats and service deliverers are expected to 'share the same goals and vision'; that is:

...to become useful partners, non-government providers should ideally share the government's policies as well as its contracts. At the very least they should be able to share its agenda—a word nicely poised between values and policy implementation—and wear the badge of partnership while they do the government's work (McDermott 2008: 114).

This perception is supported by the insertion of confidentiality clauses in government contracts, specifying that the organisation will not criticise the government's policies. In Radio National's Religion Report, Melbourne City Mission Chief Executive Ray Cleary said that this contractual restraint against speaking publicly '...eats at the very heart of the mission and the value base of church-based agencies, which are there to demonstrate God's preferential or special interest for the marginalised and those at risk' (Cleary 1999 in Staples 2006: 20).

Contracting out government responsibilities is the most significant form of the privatisation of traditional government services; however, the separation between the goals and incentives of different groups accentuates fragmentation.

The practice of contractualism resulting from APS reform also means that there is competition between service providers, which has further fragmented knowledge because each is competing for government funding (O'Flynn and Alford 2008 in Head and Alford 2008: 13). The concept of fragmentation:

...provides a name and an image for a phenomenon that pulls apart something which is potentially whole. Fragmentation suggests a condition in which the people involved see themselves as more separate than united, and in which information and knowledge are chaotic and scattered. The fragmented pieces are, in essence, the perspectives, understandings, and intentions of the collaborators (Conklin 2001: 2).

While efficiency and effectiveness are the goals of contractualism, in reality competition separates groups and individuals whose knowledge would be more useful to the problem collectively. There are distinct incentives for interest groups to hold back information rather than to share it. The move towards results as the primary goal of policy by the use of output budgeting and accrual accounting has also meant that it is difficult to study solutions posited by different agencies when considering wicked problems (Head and Alford 2008: 14).

Greater contestability of advice under NPM has also meant that, while stakeholders are often equal in terms of their credentials and the validity of their concerns, these differ widely because of their different values, interests and ideological approach. This problem is particularly relevant in the context of one of the roles of the public service, which is to assist ministers assess contestable advice (Podger 2003). Whether the service provider is a private entity or NGO, it is important to realise that different values and incentives influence their actions.

Complexity is added through contract employment and performance based bonuses for public servants because of increased ideas of loyalty to individual silos. While a positive result of these reforms is that the movement of managers across agencies and departments means that knowledge is taken with the individual resulting in more 'big picture' thinking; the decision making process is also affected by the adoption of new public management principles in the public sector. By using private sector strategies in the manifestation of 'rational comprehensive planning' this model is identical to the one that Rittel and Webber argue does not work when addressing wicked problems. Consisting of:

...corporate objectives for the organisation, delineating discrete programs related to those objectives, setting out clear outcomes for each program, drawing up action plans for achieving those outcomes, and measuring the extent of achievement after the fact at regular intervals' the assumption is implicit that 'the organisation has settled goals, a supportive political environment, and control over the resources and capabilities necessary to deliver on the goals – none of which apply in the presence of wicked problems' (Head and Alford 2008: 14).

While some claims of politicisation represent a behaviouralist perspective, arguing that some individual public servants displayed unethical behaviour in crises, these claims typically argue that politicisation is limited to the behaviour or character of individual public servants. This argument is clearly deficient however, because formal and informal conventions supplied by institutions structure behaviour (Bell 2002). Therefore, it is important that any analysis of politicisation claims identify structural aspects such as public sector reform, which has affected behaviour. These include the increased power of the Prime Minister's office in the management of the APS (Kelly 2002), changes to record keeping policies through the impact of technology growth (Podger

2005), and the introduction of NPM principles to make the APS more responsive to ministers (Palmer 2005, Nethercote 1997).

New public management principles in particular, have allowed a neoliberalist ideology to become paramount in government policymaking, with a focus on changing individual behaviour as the best way to achieve desired solutions, and the subsequent focus on the market as the instrument of choice. The centre of analysis is the individual, because the neoliberalist ideology adopted by the former Howard government sees the state as stifling the ingenuity and resourcefulness of the individual. The state is therefore less important than the market under Neoliberalism, arguably the best way of realising the goals of 'efficiency, growth and widespread prosperity' (Heywood 2007: 52).

However, adopting theoretical approaches that align with a government's ideological perspective when providing advice may mean that public servants are unaware of the limitations and disadvantages of policy suggestions. Rational choice perspectives are used by the APS in attempting to address policy issues to change people's behaviour (APSC 2009: 25), which limits the ability of the APS to identify the weaknesses as well as the strengths of proposed policy (Heywood 2007: 397). While changing the behaviour of individuals is usually a necessary part when the APS addresses wicked problems, these type of complex issues also need an holistic approach that provides inclusive, new answers to problems that are flexible and able to be adapted to empirical evidence as it arises (Commonwealth of Australia 2007: 1). The last factor is particularly problematic when addressing wicked

problems using a traditional public administration framework, but the adoption of a managerialist framework exacerbates complexity.

The next two chapters provide an analysis of two typical ‘wicked’ issue areas namely poverty as a social issue, and water as an environmental issue. Social and environmental issues have been selected because of their long history as ‘wicked problems’. If high-profile incidents such as the dismissal of secretaries at a change in government, the ‘children overboard’ affair and the detention of Cornelia Rau raised claims of politicisation as the result of reform measures, should concerns be raised about the politicisation of other policy areas?

The downgrading of social and environmental issues outside the measurable economy under a neoliberalist ideology leads to the suspicion that these types of issues are secondary in public policy development because of the impact of structural reforms in the public sector in particular. Reforms to the public service have resulted to some extent in fragmented and conflicting policies across government; service provider competition and contracting out for government service delivery; and the departmentalisation of the public service.

These structural impacts of reform processes have increased the complexity of wicked problems, and made it more difficult to achieve a whole of government approach in order to provide ministers with comprehensive frank and fearless advice. Social and environmental issues are notoriously complex or ‘wicked’. They defy definition through contested causes. Many interest groups with conflicting goals and aims are involved in the issue. Finally, it is necessary to

gain complex knowledge to understand the inherent qualities of the problem and its extent (Curtain 2006: 126).

An historical institutionalist perspective identifies historical policy decisions and judgements; government ideas and ideology; structural changes made to change the culture and aim of the APS, and formal and informal conventions affect the case studies. The next chapter therefore, looks at the problem of poverty in Australia, an issue that generally only becomes of political interest when media focus highlights child neglect or difficulties faced by the elderly for example. A significant concept arising from the following analysis is the enduring nature of political judgements regarding groups as deserving or not deserving of public assistance.

Chapter 4: Social Issues – Poverty

Introduction

The previous chapter provides an brief analysis of three incidents that generated politicisation claims, and resulted in criticism of certain government policy areas during the term of the Howard government. A more interesting research focus is what happens to issues that historically, receive scant attention by governments unless there is a crisis. Major incidents raised allegations of a politicised APS. The government took little action even though the incidents generated Senate Committee hearings and reports. This thesis is particularly interested in wicked problems and the effect that a more politicised public service resulting from major reforms since the 1970s has had on the policy-making role of the APS when dealing with these types of problems. Chapter four therefore, moves on to an analysis of a typical wicked problem that is, the problem of poverty in Australia to answer the research question ‘has a more politicised public service resulting from public sector reforms affected the policy making role of the APS in the context of wicked or complex problems?’ Using an historical institutionalist framework, this chapter identifies the significance that historical decisions, ideas and ideology and institutional structure have had upon poverty as a social issue.

4.1 Background

In an ideal market society, there exists the assertion that improved business profits and greater investment will lead to a trickle down effect, which will

improve the situation of the less, advantaged. The International Monetary Fund claims that ‘...growth is the most potent weapon against poverty ever invented’ leading governments to conclude that growth in Gross Domestic Product is a paramount goal in public policy (Perkins and Angley 2003: 6). According to Kuznets (1955), inequalities will initially increase during periods of economic growth, and then decrease when the poor benefit by the increased profits generated. From this perspective, it is logical to suggest that economic growth will solve the problem of poverty. In practice however, evidence suggests that inequalities of income are exacerbated during sustained periods of growth and have therefore been ineffective in reducing poverty (Arjona et al., 2001, de Beer, 2001 in Fourage 2003: 18).

The 1996 United Nations Human Development Report maintained that policymakers should assess the quality of growth, not just the quantity of growth. The report suggests that undesirable growth includes the kind that:

- does not result in increased employment;
- does not improve democratic outcomes;
- negates cultural identity;
- degrades the environment and affects sustainability; and
- Advantages only the wealthy (Yencken and Porter 2001: 3).

During the Howard government’s term of office, the adoption of a neoliberalist perspective meant that the growth of the economy was paramount. Social and environmental issues therefore, were secondary to the economy. However, to ensure a strong economy, social structures such as education and health

programmes are essential and ‘...are not ‘extras’ to be added on as an afterthought to the economy; rather they must be a part of the overall economic calculation’ (Perkins, Nelms and Smyth 2004: 14).

If an economic focus does not improve the quality of life for all Australians, if social and environmental issues are not improved, if inequities are growing and environmental degradation is still occurring, then this approach is manifestly inadequate (Yencken and Porter 2001: 6; Perkins and Angley 2003: 6). By focussing on short-term economic outcomes, the indirect costs of social and environmental issues remain unacknowledged by governments, and do not factor into policy development (Perkins and Angley 2003: 15).

While acknowledging the importance of the economy to Australia’s wellbeing, ‘economic growth is not an end but a means’ (Yencken and Porter 2001: 6). A laissez-faire approach, based on self-interest and the idea of a free market ultimately:

...privileges the freedom of property right over the other kinds of right, especially the right of each person to an equality of regard. When laissez-faire is allowed to control the policy settings, we find ourselves in a position where wealth seeking, or economic growth, is established as a goal in and of itself. ‘The economy’ comes to dictate our action. We lose policy literacy in being able to discuss and determine how the economy can serve human development (Yeatman 2004: 80).

Economic, social, ecological and cultural objectives are considered by Weare to be the four pillars of a ‘good society’, and all of these objectives ought to be realised together; therefore leading to the argument that achieving some objectives while sacrificing others is undesirable (Weare in Yencken and Porter 2001: 20). The argument that economic growth fulfils public interest aims is

deficient and is challenged by the persistent inequalities experienced by some sectors of society as well as continued environmental stress (Yencken and Porter 2001: 40).

When looking at claims of politicisation, the downgrading of social and environmental issues outside the measurable economy leads to the suspicion that these types of wicked or complex issues are neglected when public policies are developed because of reform measures to the APS. The adoption of new public management principles has arguably resulted in a neoliberalist ideology coming to the fore in the APS with the resulting focus on individual behaviour used as the basis for policymaking. Firstly, in an attempt to answer the question ‘what are wicked problems and why they are so complex?’ this chapter looks at poverty as a wicked problem in its social context, while the following chapter looks at water in its environmental context. As noted in the previous chapter, poverty is an enduring ‘wicked problem’ that consistently generates significant debate yet it rarely makes the policy agenda except during times of crises usually identified by the media. Therefore, the following analysis identifies various definitions or perceptions of poverty, and the historical approaches and decisions taken by governments to address the issue. This chapter then examines new ideas for poverty and attempts to identify the effect that structural reforms to the APS, which have generated most of the claims of politicisation as analysed in Chapter 3, have had upon wicked issues.

The concept of poverty in Australia is highly contested with arguably, the only agreed upon criterion being that some people’s living standard is below a

‘minimum acceptable level’ (Brownlee 1990, Greenwell, Lloyd and Harding, 2001:10 in Lloyd et al 2004). However, when trying to understand poverty, it is important to realise that the concept does not just mean that people find it difficult to supply necessities such as food, clothing, housing, transport, education and healthcare. The impact of poverty often results in less apparent but no less important problems such as social isolation, depression, low self-esteem, poor health, crime and early death (Yencken and Porter 2001: 40, FaCS 2003: 4).

Poverty is also an important factor in the ongoing obesity crisis in Australia, because of many environmental, biological and behavioural circumstances (NHMRC 1997: 44), and also historical changes to work structure including the mechanisation and improved technology of manual labour occupations (Catford and Caterson 2003: 578). In a less overt manner, poverty affects the attitudes and opportunities of those experiencing it, therefore limiting not only their own future prospects but also those of their families (Yencken and Porter 2001: 40). Poverty in Australia therefore, conveys ‘...a powerful moral injunction that it is a state that requires action and, often implicitly, a situation which society needs to address’ (FaCS 2003: 4). This thesis looks at poverty as a social issue because the definition, measurement and relief from, or prevention of, poverty is central to social policy (Dean 2002: 20).

4.2 Definition of poverty

During the Howard government's term of office, it was argued by policy-makers that an adequate definition and measurement of the highly emotional issue of poverty, as well as the identification of interrelated factors was necessary to formulate public policy (FaCS 2003: 4). Nonetheless, there remained a lack of consensus about its precise definition ultimately resulting in continuing debate in Australia over the extent of poverty. This failure to define poverty has resulted in the public's perception of little action by government because of a lack of understanding of its inherent qualities; the reasons that people were still struggling to improve their circumstances in a growing economy; and the size of the problem. The lack of definition meant that the problem was easy to ignore, to be cynical about its extent, and to blame those experiencing it (ACOSS 2003: 9). As one public servant explained:

...it is a highly technical, fraught area in which there is no consensus about what the best measure is, and therefore what the remedies are.

The failure of the Howard government to define poverty suggests that it had made a 'non-decision'; that is it used a lack of consensus to evade the responsibility of poverty. This decision implies a manifestation of agenda setting where power decides some issues do not deserve government attention.

Governments make the decision not to make a decision:

...when the dominant values, the accepted rules of the game, the existing power relations among groups, and the instruments of force, singly or in combination, effectively prevent certain grievances from developing into full-fledged issues which call for decisions (Bachrach and Baratz 1963 in Bridgman and Davis 2000: 44).

In other words, ‘...non-decisions happen when government refuses to define a topic requiring a public policy’ (Bridgman and Davis 2000: 44). While a problem may be inexact and personal, this does not mean that it is not deserving of government attention. Policy makers ‘...must be prepared to look not just at those issues that make the policy agenda, but at pressing needs that do not find articulate advocates’ (Bridgman and Davis 2000: 45).

Therefore, when developing policy approaches to a problem, it is important to give them ‘shape and boundaries’ (Bridgman and Davis 2000: 42). Accordingly, in seeking an adequate definition of poverty the Australian Bureau of Statistics (ABS) identifies three approaches:

1. Absolute poverty or a state when basic necessities for survival such as food and shelter are unaffordable;
2. Relative poverty or an income that is low compared to others; and
3. Subjective poverty or the belief that an income is inadequate for needs (ABS 1998).

All of these approaches rely on income levels, whether real or perceived. During the Howard government’s term of office, poverty analysis in Australia tended to adopt the ‘relative’ income poverty framework rather than absolute or subjective poverty, which meant that poverty-stricken people lived in a rich but inequitable community where basic needs may be met, but social expectations remain elusive (Alcock 1993 in Commonwealth of Australia 1999: 2).

Relative poverty means that people have an inadequate income or resources to enable them to attain an adequate standard of living in their society (European Commission 2004). Therefore, people are ‘...forced to live on the margins of society, to be excluded from the normal spheres of consumption and activity which together define social participation and national identity’ (Saunders 1996: 226). The adoption of a relative poverty framework means that the idea of poverty in Australia is unlike absolute or subsistence poverty as seen in developing nations (Saunders 1996: 226); that is, a situation which is life threatening (Cass 1985: 67). Absolute poverty means that people may be ‘...starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive’ (European Commission 2004).

Subjective poverty comes from an individual perspective. The idea of subjective poverty relates as a ‘lack of well-being’, a definition made by individuals and encompasses such concerns as:

- ‘Needs – the things which people must have
- Interests – things which are good for people, or
- Wants – the things which people choose for themselves’ (Spicker 2006).

A more extensive definition of well-being has been formulated by the Australian Institute of Family Studies (AIFS), a statutory agency in the portfolio of Prime Minister and Cabinet (Commonwealth of Australia 2010). The AIFS expands this idea into fourteen separate categories of living standards that add to the well-being of Australians. These are health; economic resources; employment; housing; education; recreation; the physical

environment; community services; access to information; transport; personal well-being; social participation; political participation; and family relationships (Brownlee 1990 in Commonwealth of Australia 1999: 4).

Including social and relationship factors in the concept of poverty is important to policy makers (Brownlee 1990 in Commonwealth of Australia 1999: 4), because the process of social exclusion results in the reality that:

... certain groups are pushed to the margins of society and prevented from participating fully by virtue of their poverty, low education or inadequate life skills. This distances them from job, income and education opportunities as well as social and community networks. They have little access to power and decision-making bodies and little chance of influencing decisions or policies that affect them, and little chance of bettering their standard of living (Combat Poverty 2008).

The concept of social exclusion identifies its structural causes as well as its apparent results, such as why certain individuals and groups are excluded from maximum social participation. The concept recognises that poverty does not 'just happen'. It is one result of the policies and options that a nation accepts about how its economic resources are used and upon which citizens (Combating Poverty Agency, 1994, pp. 3–4).

Definitions of poverty also include the recognition that a significant component for citizens experiencing poverty is the increased stress emanating from risk behaviours that contribute to their situation. Poverty cannot be wholly explained by the indulgence in risky behaviour however, because actions such as alcohol, drug and tobacco use have also been identified as the results of poverty; that is people indulge in risky behaviour because they are poor (World Health Organisation 1998 in Commonwealth of Australia 1999: 13). This

definition of poverty identifies the problem as an outcome of circumstances.

The perspective includes pathological approaches such as:

- Individual causes or the incompetence of people in poverty to make rational lifestyle choices;
- Familial poverty or bad behaviour throughout generations; and
- Cultural poverty where difference is learned and people adapt to poverty (Spicker 2006).

Other theories add further complexity to the entrenchment of poverty in Australia including structural reasons for example:

- Some people are unable to participate in the economy because of their class or other discriminations;
- People are in poverty because of a failure of government policies; and
- Society is structured unequally which means that there are intrinsic barriers for people to improve their lives. 'Income, wealth, race and gender' are examples of structural inequality (Spicker 2006).

Some analysts claim that poverty provides important functions for those in society who are not poor. This includes a pool of people who have to undertake disagreeable employment with little financial remuneration to survive. The entrenchment of poverty also provides for a significant number of jobs for other people including those employed in government departments and agencies such as Centrelink, as well as social workers and the police (Babbie 2002: 50).

This thesis argues that a basic definition of poverty, notwithstanding the importance of other factors, is insufficient income for a minimal living

standard (King 1997 in Commonwealth of Australia 1999: 5). Therefore, when looking at income measurements of poverty in Australia, a logical place to start is with historical decisions that have affected social policy since Federation. Two landmark decisions considered here are the Harvester Judgment of 1907, in which the basic wage was developed, and the Henderson Poverty Line, a measurement of the poverty crisis that resulted in the Commission of Inquiry into Poverty which announced its recommendations in 1975. While both of these decisions have been influential in the formation of Australia's social policies, the Henderson Poverty Line, unlike the Harvester Judgment, was not accepted directly into policy and is not used by government departments when providing policy advice or undertaking research. Nevertheless, the Henderson Poverty Line remains a lasting method to measure an adequate living standard in Australia and therefore, poverty and minimum wages (Bryan 2008: 217; Robbins and Harris 2007: 87).

4.2.1 Historical factors – the Harvester Judgment

In 1891, Pope Leo XIII declared in the *Rerum Novarum*:

[I]f one man hires out to another his strength or skill, he does so for the purpose of receiving in return what is necessary for the satisfaction of his needs... (*Rerum Novarum* 1891).

This concept of a living wage to meet basic needs was adopted by Justice Henry Higgins in the Harvester Case of 1907 '...the first national test case to make its mark on Australian wage fixing policy' (Van Gramberg 1999: 100). The idea was formed to allow workers to benefit from the tariff protection instituted under the New Protection policy of the Commonwealth government,

that is ‘...to make the workers partners on the ground floor in the benefits of protection’ (Shann in Isaac 281). Alfred Deakin, the Prime Minister at the time, promoted the policy arguing:

[T]he ‘old’ Protection seeks to make wages possible. The ‘new’ Protection seeks to make wages actual. . . Having put the manufacturer into a position to pay good wages, it goes on to assure the public that he does pay them (Deakin in Isaac: 281).

The test case used by Higgins was that of the Sunshine Harvester Company, a manufacturer of agricultural machinery and tools; subsequently the decision became known as the Harvester Judgement. The decision of a basic wage related to the ‘normal needs’ of the ‘humblest class’ of worker; that is an adult male with a family of ‘about five’ and was unrelated to the value of his work. Higgins attested that forty-two shillings a week was ‘fair and reasonable’ pay for unqualified male workers. As an incentive, manufacturers that paid a basic wage would have an excise duty withdrawn (Robbins and Harris 2007: 87).

The Harvester Judgement has been contentious ever since because for example, by forming a national basic wage for unskilled workers, work became separated into skilled and unskilled labour. The concept of human need became a focus of work policy, and the idea of the family was centralised in public policy. By omitting women from the calculation, the policy further embedded gender discrimination in wages decisions. The decision to set a basic wage at seven shillings for an eight-hour day’s work was not generous nor was it unusual. The calculation was reached by studying the cost of rent, some food products and fuel (Robbins and Harris 2007: 87, Robbins et al 2005: 492).

Basing the decision on what was necessary for survival did not include such items that would ensure the future of a basic worker such as life insurance or savings, unemployment benefits or insuring against accidents, sickness or death. Using rental housing in the calculation translated the home into an item of consumption not investment. When people became too old to work, both workers and employers assumed that they would receive a government pension. It is notable however, that a moral decision forms the basis of the Harvester Judgement (Bryan 2008: 215). As Higgins argued:

I cannot think of any other standard than the normal needs of the average employee, regarded as a human being, living in a civilized community'. Just as a man who hires out his horses expects they will be given 'fair and reasonable treatment... proper food and water, and such shelter and rest as they need', so must the state mean for employees' wages ... sufficient to provide these things, and clothing, and a condition of frugal comfort estimated by current human standards (Lack and Fahey 2008: 3).

Higgins also contended that if '...employers could not pay a living wage, they should cease operating. In his famous 'Harvester judgment' he described freedom of contract in the market place as "like the freedom of contract between the wolf and the lamb"' (Higgins in Wear 2005: 476). While the Harvester Judgement set up a 'national minimum wage for an unskilled worker', nevertheless, poverty remained an issue for government attention at different periods throughout Australia's history, becoming a government priority in the 1970s because of a perceived poverty crisis. As a result, the Henderson Poverty Line was developed to keep the basic wage aligned with the changing needs of working families. Like all new concepts and problem approaches, the poverty line framework received some criticism, however

when analysing social issues, it is a useful tool in identifying the type of economic action needed to reduce poverty in Australia (Saunders 2005: 16).

4.2.2 Historical factors – the Henderson Poverty Line

The Henderson Poverty Line resulted from the goal to make poverty ‘a thing of the past’. By the 1980s this was still considered achievable, and even in 1990 it was argued by no less than the Prime Minister that ‘no child would need to live in poverty’ (Hawke in Adams 2002: 91). Unfortunately, despite these admirable objectives, the goal to make Australian poverty ‘history’ has not been achieved for all affected groups, and it remains a major social and economic issue for analysts, advocacy groups and governments (Adams 2002: 92).

The Commission of Inquiry into Poverty was established in 1972, and its recommendations were released in 1975. As part of its analysis, what is commonly known as the Henderson Poverty Line was formulated as a means to measure what was considered at the time to be a poverty crisis (Adams 2002: 91). Poverty Lines are defined by the Australian Bureau of Statistics (ABS 1998) as ‘...threshold income values. If a family’s income is below the value applicable for that family, then that family is deemed to be in poverty’ (ABS 1998). Therefore, the poverty line approach focuses on inadequate income as the main cause of poverty (Saunders 2005: 16).

For political reasons, Henderson's poverty line ensured that '...conservative critics could not doubt the reality of poverty thus identified' (Cass 1985: 71). In his report, Henderson stated:

[W]e should like to emphasise the importance of giving assistance first to those at the bottom of the ranking. To try to ensure that our recommendations have this effect we have drawn our 'poverty line' at an austere low level... updated by average earnings since then. It cannot seriously be argued that those below this austere line ... are not so (Commission of Inquiry into Poverty 1975: 13).

The basic wage plus child endowment for families with children set the level of Henderson's Poverty Line (Saunders 2006: 2). Using the poverty line approach, the Commission of Enquiry into Poverty identified that ten percent of Australian families were poor, and approximately eight percent were dangerously close to being poverty-stricken (Commission of Inquiry into Poverty, 1975 in Saunders 2006: 4).

In his field, Henderson was an expert with the ability to amass evidence from other expert academics and staff of the Poverty Commission. Therefore, the Henderson Poverty Line was a valid measurement in the 1970s. The data collected for the Commission was not accessible to other analysts and therefore was indisputable (Headey 2005: 8; ABS 2002, 2003).

However, the amount of poverty research has increased over time and the statistical information produced by the Australian Bureau of Statistics (ABS) means that there is greater access for the public, academics and interest groups to obtain financial and demographic information on households. How the information is collected by the ABS is problematic however. Statistical

information about income is gathered by self-reporting, using surveys, a practice that is considered by the ABS to be limited and lacking validity because of the under-reporting of income by groups such as the self-employed and farmers (Headey 2005: 8; ABS 2002, 2003).

Reliability is doubtful because of the inaccuracy of income data reported by low-income earners stating that their expenditure exceeds their incomes. These methodological factors are particularly relevant in poverty research, because according to the ABS, these types of statistics distort the income figures of the lowest ten percent of the population (ABS 2002, 2003).

Notwithstanding these concerns, easier access to government statistics as well as advances in the analysis of poverty data has resulted in a plethora of poverty ‘experts’ producing different results depending upon which measurement is chosen (Saunders, 1997 in Saunders 2006: 6). For example, the following table demonstrates the different results obtained from comparing income support payments (including Rent Assistance (RA) for payments other than Austudy) using different poverty line measurements. Here, the Henderson Poverty Line is compared to mean and median measurements.

Table 1: Comparative Poverty Lines

Income support including RA \$/w		Poverty Line \$/w		50% Mean \$/w		50% Median \$/w	
		Poverty Line	Difference \$	Poverty Line	Difference \$	Poverty Line	Difference \$
Single, youth independent							
Allowee	196.15	237.98	-41.83	230.17	-34.02	203.16	-7.01
Adult							
Austudy	150.85	237.98	-87.13	230.17	-79.32	203.16	-52.31
Allowee	229.80	237.98	-8.18	230.17	-0.37	203.16	26.64
Pensioner	256.20	237.98	18.22	230.17	26.03	203.16	53.04
Couple							
Allowee	375.50	227.10	38.40	345.26	30.24	304.74	70.76
Pensioner	394.80	337.10	57.70	345.26	49.54	304.74	90.06

Source: extracted from Melbourne Institute of Applied Economic and Social Research 2002, ABS 2002, Centrelink 2002 in FaCS 2003: 95.

The different results reached using the same payments indicate that despite the increasing number of poverty studies, these have not enabled greater understanding of the problem, but instead conflict has been created about the measurement of poverty and therefore of the concept itself. The manner in which the Henderson Poverty Line is updated has been a particular focus of critics of the measurement, because the methodology used has resulted in the identification of an increased number of people living in poverty rather than a reduction in the statistics (Saunders, 1997 in Saunders 2006: 6).

The poverty line's focus on income resulted in further criticisms of the approach including the argument that simple income measurements do not allow for the analysis of complex links between levels of disadvantage (McClelland and Scotton 1998). Another criticism is that the method of using cash income to measure well-being does not take into account income from other sources such as superannuation, fringe benefits and welfare concessions. Finally, the poverty line has been criticised because its reliance on a narrow framework of income poverty ignores its causes and effects (Saunders 2005: 15).

While governments have not accepted the poverty line as a valid measurement and there are obvious criticisms of the approach, this thesis considers beginning research with a simple definition based on income has distinct benefits because:

...poverty in Australia is inseparable from inequalities entrenched firmly in our social structure. Inequalities of income and wealth 'reinforce and are reinforced by inequalities of educational provision, health standards and care, housing conditions and employment conditions and prospects (Henderson: Commission of Inquiry into Poverty 1975).

4.3 Contemporary approaches to poverty policy

It is apparent that income is a variable that is present in all of the identified measurements of poverty, disadvantage or wellbeing (Headey 2005: 8); nevertheless, the Howard government argued that increasing income was not enough to reduce poverty (FaCS 2003: 12). According to one public servant interviewed:

...and I'm personally not a believer in that more income alone is the answer to hardship.

The decision not to increase income levels for Australia's poor was made by the government notwithstanding research undertaken in 2003 that concludes poverty is reduced when the welfare state is 'generous', with family payments for children for example, being one of the most effective public policy instruments. Ultimately, the welfare state and politics are significant factors in reducing poverty (Moller et al 2003: 45).

Nevertheless, despite acknowledgement that increasing incomes reduces poverty, government has adopted an alternative theoretical approach to the issue. This 'theory of multiple disadvantage' has been developed as an alternative to the poverty line approach because it has been perceived to enable policy makers to gain an increased understanding of the interwoven limitations faced by poor people. A multiple disadvantage approach has been criticised as ill defined however, therefore it is necessary to be clear when researching how multiple disadvantage is interrelated in theory (Commonwealth of Australia 1999: 5). The use of a theory of multiple disadvantage also raises the problem identified by Rittel and Webber in their research into wicked problems, that is the identification of many causes of a problem means that it is more difficult to solve (Rittel and Webber 1973: 165). As one public servant stated:

[T]here is clearly a relationship between the importance of housing as a basis ... it's not very helpful to address homelessness alone if you're not at the same time addressing the drivers for why someone is homeless and if that's about deficits in independent living or inability to maintain employment, all those sorts of things. I do think you need to address the individual components but you also need to understand what goes together and how they interact together.

Rittel and Webber use the problem of poverty as an example in their argument about complex issues. They ask ‘what would be necessary in identifying the nature of the poverty problem?’ Low income is a factor but what factors contribute to a low income? If the problem is the lack of reason and skill amongst working age citizens, then improvement of the education system is called for. However, what part of the education system needs improving? Is the problem of poverty the result of poor physical and mental health? If this is so, then an analysis of the health care system needs to be added to the equation. Rittel and Webber argue therefore that identifying the causes of a problem is the same as finding the solution ‘...the problem can’t be defined until the solution has been found’ (Rittel and Webber 1973: 161). In fact, ‘the formulation of a wicked problem is the problem!’ (Rittel and Webber 1973: 161). Perversely however, the more causes of problem that are identified, the harder it is to resolve (Rittel and Webber 1973: 165).

4.3.1 A theory of multiple disadvantage

The experience of multiple disadvantage is a product of poverty. The European Commission states that:

...because of their poverty [people] may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation...they are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted (European Commission 2004).

By analysing poverty through a theory of multiple disadvantage, other factors such as the effect of poor housing and social exclusion have upon the

experience of poverty can be examined by policy makers rather than just inadequate income (Commonwealth of Australia 1999: 3). The rationality for this approach is that people experiencing poverty often have several limitations when various aspects of a basic standard of living are analysed such as that provided by the AIFS. These require greater effort to overcome than experiencing a single disadvantage such as a low income (ABS 2004). For example, research is conclusive that ill health is more common among poverty-stricken individuals than wealthy people who have greater social and economic resources at their disposal (Commonwealth of Australia 1999: 1).

There are also links between a lack of education and a low income, and a low income often results in poor housing. By using a multiple disadvantage approach, it may also be identified that poverty can have far-reaching impacts by extending into the next generation, often leading to social exclusion for whole families resulting in their inability to access the commodities and services necessary for social participation (ABS 2004).

This approach also identifies the link between unemployment and poverty. Employment and poverty have been crucial aspects of social and economic policy debate for the last thirty years, with unemployment emerging as the central cause of poverty. The link between poverty and unemployment is an important one. When the Commission of Enquiry into Poverty was established nearly forty years ago, Australians of working age enjoyed almost full employment, and poverty-stricken individuals were either elderly, disabled or primary carers (usually women). In contemporary Australia however, the link

between poverty and work is a major concern because poverty today is now a significant factor for the 'working poor' and the unemployed (Yencken and Porter 2001: 27). What this has meant is that during the Howard decade, there were new groups of people at risk of, or experiencing poverty.

4.3.2 Groups experiencing poverty

Over time, political focus on certain groups meant that Australian aged pensions have increased at a greater rate than unemployment payments and this, coupled with significant government-subsidised concessions (FaCS 2003: 40), is considered to be the primary reason for the decreasing number of elderly people living in poverty (ACOSS 2003: 71). Government assistance to families as acknowledgement that people who have children need wider community income support to meet their responsibilities (FaCS 2003: 8, 40) has also increased, and this has resulted in a decrease of the incidence of child poverty (ACOSS 2003: 71). Other groups such as university students however, enter a transient state known as 'voluntary' poverty by giving up situations of full time employment to gain careers that are more lucrative as the result of their higher education. Meanwhile, they contribute financially to their education through the federal government's Higher Education Contribution Scheme (HECS) (FaCS 2003: 8). The long-term unemployed are another group of citizens that is at particular risk of poverty. This group has often been defined by some analysts such as think tanks as welfare dependent and not willing to work (ACOSS 2005: 8; Lawrence 2005).

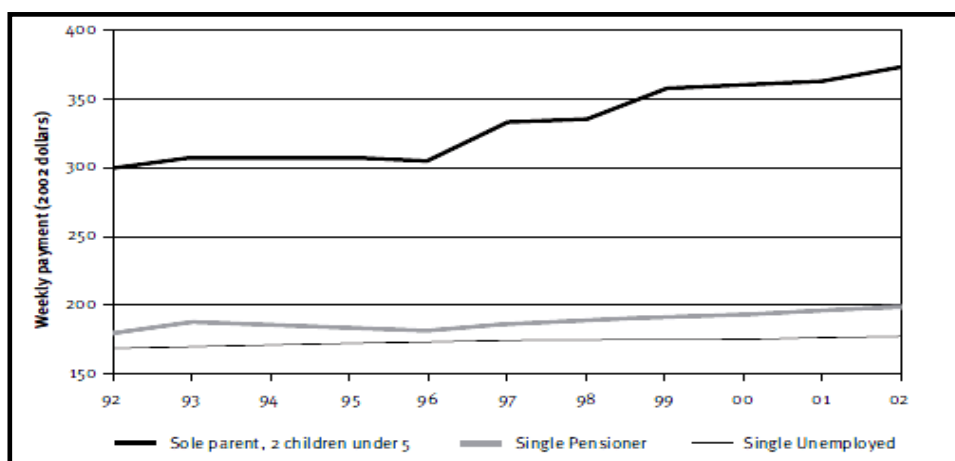
Poverty risks increase if people have to rely on income support at any time during their lives because the maximum rates are meagre. For example, some of the most disadvantaged groups in society, such as unemployed young people and students, receive the lowest rates of payment. Subsequently, it is logical to propose that ‘...if the worst anomalies in the system were rectified, income poverty would be substantially reduced’ for all Australians (ACOSS 2003: 89). However, it is clear that students and the unemployed living in poverty for a short time is not a problem for government and policy makers (Raper 2000: 256). As one interviewee noted:

[T]he other problem about measures is that snapshot measures are not very helpful. There is a very different dimension between someone who might be experiencing short term missing out or hardship or constraints upon the choices that they can make because they are investing in themselves, a student for example. And they’re living on a low income, but you know at the end of the day, OK it’s a bit hard now, but you know at the end of the day, the outcomes that they will experience, the longitudinal evidence, will demonstrate that their’s is quite a different experience and they have quite different opportunities than a person who is long term jobless, has problems acquiring stable housing, and has perhaps other expenditures that may be associated with the reasons that they are long term jobless or not being successful in the labour market. So I think for me, in order to develop good policy responses to the different manifestations of hardship, to understand what the drivers, the associations, the causal and associated factors, are to be able to address them.

The political judgements that defined the previous groups became manifest in policies for income support under successive governments. Figure 1 below shows the movement of income support payments for a single pensioner, a sole parent with two children under five years of age, and a single unemployed person from 1992-2002. This graph demonstrates the significant increases of payments to families with children and the increase in pensions. The income

support rates for unemployed persons however, show negligible change over the decade.

Figure 1: Real rates of income support payments: single adult unemployment benefit, single pensioner and sole parent with two children less than five years of age, 1992–2002 (FaCS 2003: 40). Source: FaCS analysis.



This shift in the likelihood of income poverty for specific groups demonstrates that some public policy initiatives such as increasing the aged pension, and implementing social benefit schemes and family payment programmes have been effective for some groups in limiting their risk of poverty. Other groups however, who faced poverty during the Howard government's term of office included:

- Indigenous people;
- The unemployed, particularly those experiencing long term joblessness;
- Single parents;
- Young people including students and those living in shared housing; and
- Recipients of welfare benefits as their main source of income (ACOSS 2003: 89).

Poverty rates during this time were highest in working-age households where income does not come from employment. Indeed, to ensure financial security, 'stable employment' is essential (Lloyd et al 2004: 19). Notwithstanding the success of some policy approaches in reducing the number of people experiencing poverty in certain groups, the policy shift towards insecure employment and redundancy under Howard and previous Labor governments such as Hawke and Keating have both intensified and rationalised income inequality and poverty (Hamilton 2005: 4, Lloyd et al 2004: 13). These policies, coupled with low income-support payments, are significant factors behind poverty in Australia (ACOSS 2003: 72).

The persistence of poverty in contemporary Australia is linked to the introduction of new ideas in government resulting from neoliberalist ideology such as those of the market, new public management and public choice theories that focus on changing the behaviour of individuals. While these approaches have been successful for some populations in some policy areas, success remains elusive when dealing with people living in poverty (Commonwealth of Australia 2007: 16).

While the Howard government held office, policy-makers using New Public Management (NPM) ideas, including public choice theory and the idea that the market is the most efficient means to achieve desired reforms, assumed that increased productivity increases wealth and that this in turn, trickles down to the disadvantaged. Evidence suggests however, that growth has not been shared evenly between the 'advantaged' and 'disadvantaged' challenging the

government's assertion that claims of unfairness in this approach are misleading (FaCS 2003: 10, Adams 2002: 92). Therefore, it is necessary to this thesis' research into politicisation to examine these new ideas to assess their advantages and shortcomings in the context of poverty.

4.3.3 New ideas for poverty

Dominant concepts in policymaking are not impartial or logical and they do not suddenly appear by accident. Concepts are the product of intricate patterns of interests, ideologies and the exercise of power. Subsequently, they influence and determine the interpretation of issues; the support or rejection of policy instruments; and which social groups will remain winners or losers (Molle 2008: 132). At times throughout Australia's history, governments decided that public involvement was necessary in areas of social policy such as health, education, housing, and aged care (Wicks 2001: 120) because:

...social policy is about more than just work and readying people for work. There were very sound social and political reasons why many things were 'decommodified' in the post-war welfare state on the basis of the social rights of citizenship. Valuing families, communities, cultural practices, the environment and those population groups ill-suited to the labour market calls for broader social policy goals and a recognition of other forms of contribution as well as the simple one of economic participation (Lister in Perkins, Nelms and Smyth 2004: 15).

The economic focus of recent governments emphasised the development of policies that supported the economic contribution of citizens over their life times (FaCS 2003: 1). To enable people to participate economically however, social services such education and training in particular are imperative because training and education result in the ability to compete for worthwhile

employment as well as increasing the skill level of the overall workforce. Logically then, it is important that people are able to access high quality education and training and that they are motivated to participate (Business Council of Australia 2003). As one public servant pointed out:

[T]he jobs are there, jobs growth has been huge in Australia and we now have both skill shortages and labour shortages. That's not to say there aren't distributional issues and that there are often people who are displaced because of outdated skills, a major issue confronting us is about people who haven't acquired skills in the past, how do we help mature-aged people, how to ensure that young people who don't gain educational outcomes that they need to help them make a successful transition to the workforce. What are the remedial things that can be done ...but we don't have a large scale unemployment problem anymore, we have particular issues for Indigenous people... we do have particular issues in some locations of Australia but even there the resources boom has lots of opportunities that people have if they have the skills or they have the opportunity to acquire those skills even for Indigenous employment...

In practice however, the impact of public sector reform where new ideas that promote the market as the preferred instrument for delivering social services on efficiency grounds has meant that there are now innate inequalities not only in education but also in health, housing, childcare and employment opportunities. This is because of reduced government support for essential public goods and services, making them incompatible with ideas of equity (Wicks 2001: 120).

Privatising public goods continues and intensifies disparities already in place. Private businesses now own public assets that once supported services and assisted in the redistribution of wealth across society. This has resulted in the perception that there has been:

... an unequal transfer of publicly produced assets to members of the private sector, for less than their true value, under the guise of 'public sector reform'. While a number of citizens have purchased a financial

stake in assets that they previously owned, more privileged members of the community have been rewarded for their already privileged status by being given larger shares of public resources for very little financial outlay (Collyer et al 2003: 9).

Essential social infrastructure is crucial in addressing poverty or disadvantage, and the free market is an inadequate instrument to provide such services. This is because through the market, commodities are only available to those who can pay for them. Coupled with the manifestly inadequate levels of welfare for some groups, it is extremely difficult for some citizens to compete in the market. As previously stated, research indicates that full-time employment is essential in eliminating poverty, however to achieve this, public services such as education and training need to be accessible and affordable for all Australian citizens (Wicks 2001: 120).

From an historical institutionalist perspective, the focus on NPM ideas, public choice theory and the market is important to this research into the politicisation of the APS, because the adoption of these perspectives has depleted aims like social justice and equity under free market principles. A contentious institutional perspective of the effect of these new ideas for example, is that economic rationalists replaced social justice promoters in the senior echelons of the Australian Public Service in the 1980s and 1990s, resulting in the limiting of poverty discourse. While it remains a significant social and economic issue, the concept of 'poverty' is not part of the policy agenda. Instead, new ideas that compete with social policy ideas have been promoted as solutions to 'multiple disadvantage', including '...competition, productivity, the new public management, contracts and mutual obligation' (Adams 2002:

92). The focus of policy is now also on the reduction of welfare costs to the taxpayer rather than that of poverty ('Dethroning the Welfare Queen' 1994; in Engvall 1996: 143).

Efficiency and effectiveness are the goals of these new ideas for poverty, but reform measures undertaken to privatise some government activities have fragmented knowledge about the problem. This has meant the separation of groups and individuals who may have empirical knowledge about people living in poverty through competition for government contracts. What this means is that intrinsically, there are distinct incentives for interest groups to hold back information rather than share it. The move towards a focus on results by the use of output budgeting and accrual accounting in APS reforms has also meant that it is difficult to study solutions posited by different agencies when considering wicked problems. This, along with contract employment and the use of performance-based bonuses for public servants, has meant that the idea of loyalty to individual silos in the APS has increased (Head and Alford 2008:

14). As one public servant stated when interviewed:

[S]o the advice we provide to the Prime Minister in his office is integrated and you'll hear me use that word a lot. Integrated. Because you see when advice comes from a line agency it necessarily emphasises the particular aspects of that portfolio. They will have - or ought to have - regard to other portfolios, but the reality is they would in most cases emphasise their own portfolio interests, and that's natural, as they are serving the minister responsible for that portfolio. The distinction between a line agency and a central agency, as Prime Minister and Cabinet is, is that we have a responsibility to take into account those very much broader responsibilities.

While a positive result of reform measures is that the movement of managers across agencies and departments may mean that the knowledge accrued about

wicked problems is taken with the individual and may result in more ‘big picture’ thinking; the decision making process is also affected by the adoption of new public management principles in the public sector. By using ‘corporate strategy thinking’ in the manifestation of ‘rational comprehensive planning, this model is identical to the one that Rittel and Webber argue does not work when addressing wicked problems. Consisting of:

...corporate objectives for the organisation, delineating discrete programs related to those objectives, setting out clear outcomes for each program, drawing up action plans for achieving those outcomes, and measuring the extent of achievement after the fact at regular intervals’ the assumption is implicit that ‘the organisation has settled goals, a supportive political environment, and control over the resources and capabilities necessary to deliver on the goals – none of which apply in the presence of wicked problems’ (Head and Alford 2008: 14).

Another result of new ideas to address poverty has also been that policy responses have become focussed on the individual, that is the reduction of ‘welfare dependence’ by creating mutual obligation compliance rules and increasing scrutiny of welfare recipients (Saunders 2006: 2; Lawrence 2005) to catch ‘welfare cheats’. This approach is not new. Critics of welfare since the French Revolution have used this concept of welfare dependency otherwise known as the ‘rhetoric of perversity’ to assert their claims that welfare policies implemented to reduce poverty have indeed produced welfare dependency, ultimately worsening the situation of the poor. This idea suggests that government assistance is in reality harming the poor and therefore by opposing it, approaches that are more compassionate are produced (Hirschner 1991 in Somers and Block 2005: 266). The following table looks at the rhetoric of

perversity from two eras and countries. The table clearly identifies the endurance of this type of discourse.

Table 2: Rhetoric of Perversity in Two Eras

	Laziness	Illegitimacy	Degradation
England 1834	“Ultimately, without doubt the farmer finds that pauper labour is dear, whatever be its price; but that is not until allowance [relief as aid-in-wages] has destroyed the industry and morals of the labourers who were bred under a happier system, and has educated a new generation in idleness, ignorance, and dishonesty” (Royal Commission 1834: 71).	“We have many illegitimate children; and we think that the numbers have increased of late years. If a young woman has two or three bastard children, and receives 2s.6d. a week for each, it is a little fortune to them” (Royal Commission 1834: 12).	“Whether in work or out of work, when they once become paupers, it can only be by a sort of miracle that they can be broken off; they have no care, no thought, on account of the future...” (Royal Commission 1834: 94).
United States 1986-92	“The welfare system discourages work and self-reliance. The value of welfare’s tax-free benefits often exceeds usable income from taxable work. While most Americans expect and want to work, welfare can seduce people into a life of dependency. Worse, the pattern and values of dependency can be transmitted from parent to child, who may come to see welfare as the social norm” (Domestic Policy Council Low Income Opportunity Working Group 1986: 36).	“There was the single woman who had been having a baby every two years, on purpose – ‘She told me she thinks two years is about the right spacing’. There was the man who got furious at his girlfriend for losing a baby because ‘there went the chance of getting benefits for at least another ten months,’ and the women who triumphantly showed up at the Human Services office with a new baby when their eligibility for Aid to families with Dependent Children had been about to expire’ (Murray 1986a: 34).	“Dreams especially died among many poor individuals themselves. They saw that mass pauperism was accepted and pressure to leave welfare was very slight. Sometimes, those (formerly known as the ‘worthy poor’) who were willing to put off immediate gratification and sacrifice leisure time in order to remain independent, were called chumps rather than champs” (Olasky 1992: 190).

Somers and Block 2005: 264

Overall, however, this rhetoric which assumes that some policies create problems such as welfare dependency continues to weaken the crucial normative argument that governments should act on the issue of poverty (Adams 2002: 92).

These ‘new’ ideas or more accurately these regurgitation of ideas have also meant that the theories and empirical evidence used in contemporary poverty policy have become increasing complex, erratic and challenged by other interested parties. This has resulted in fragmentation of the understanding of poverty, and what it means to be poor. Further complexity has occurred because of the perception that poverty is a multi-dimensional, transitory problem rather than a stable factor for certain groups such as the long-term unemployed (Adams 2002: 92).

Finally, there is the perception that individual behaviour is a problem and that ‘perhaps the poor need the ‘spur’ of poverty as motivation to change behaviours’, resulting in ‘the moral imperative to act’ becoming diminished (Adams 2002: 92). This perception has resulted in the use of behaviouralist theories when researching poverty or disadvantage by the APS itself in its policy-making role.

4.3.4 Behavioural poverty

Theories that promote self-interest and the individual over concepts such as ideas and social values include public choice theory, agency theory and game theory. These rational choice approaches have been widely accepted by

analysts amid claims that they are ‘...the most theoretically developed and parsimonious models available’ (Laffin 1997: 46). The behavioural change theory that underlies much public policy is the rational choice model which looks at people as ‘...rational economic actors – maximising welfare and making perfectly informed decisions based on complete data’ (Halpern et al 2004: 14). This perception ignores the reality that there are many other aspects of human behaviour including cultural background, environmental influences and inherent characteristics (Halpern et al 2004: 14).

Human behaviour is a significant factor in the majority of public policies. Governments perceive their role as empowering people and communities to behave in a way that produces the most advantageous results for themselves; that is; governments do not want to make decisions for people (Halpern et al 2004: 6). Therefore, research undertaken in 2007 by the APS to examine ways to address wicked problems identified that achieving ‘sustained behavioural change’ of individuals through collaboration is the primary aim of government when dealing with socially complex issues (Head and Alford 2008: 16). For example, paid employment will improve financial status and social inclusion, but individual motivation and behaviour impacts as greatly on this situation as performance of the economy (Halpern et al 2004: 6). As one public servant noted:

I think the objective of doing this stuff is to make things better, and to do that, you’ve got to change behaviours and understandings and acceptance, so we operate in that model generally.

Policies during the Howard government's term of office focussed on strengthening personal responsibility to enable individuals to make rational choices (FaCS 2003: 6). This reflects the perception that in wealthy countries, poverty is the result of poor choices and behaviour, and the result is merely that children are missing out on some non-essentials for example (Green 2005: 9). This concept of 'behavioural' poverty is not new, and neither is blaming people for their own circumstances a new phenomenon in Australian history. Moral judgements have always been used regarding behaviour of the poor. For example, a national age pension scheme, implemented under the Invalid and Old Age Pensions Act 1908, in Australia in 1909, replaced various State pension schemes. At that time, analysts emphasised the 'right rather than charity' basis of the Commonwealth Old Age Pension, but restrictions on a social right were based on certain 'moral criteria' and the proviso that recipients displayed integrity in their lives. 'Aborigines, ex-prisoners, Asians, drunks, and men who had deserted their families' were labelled as ineligible for support (Mendes 2004: 1; Kewley 1980: 15).

In other words, rather than being a right of citizenship, the implication was that assistance was available for the 'deserving' poor as recognition of the contribution that individuals had made to the economy during their working lives (Hamilton and Hamilton 9), and it was not until 1947 that the government introduced a less restrictive age pension (Mendes 2004: 1). Other groups were also judged unworthy of government assistance at this time; for example, unmarried mothers were considered 'irresponsible and immoral', and were only able to access government support for short periods before and after the

birth of their children. Therefore, it was common practice to put the children of single mothers up for adoption until the introduction of the Supporting Mothers Benefit in 1973 which made it possible for single mothers to financially support their children (Mendes 2004: 1).

Not only governments made decisions based on the behaviour of individuals however. People seeking support from Australian charities had their characters investigated by these charities who demanded ‘...evidence of temperance, industriousness, frugality, and moral restraint’ before they were given help (Mendes 2004: 1). Research undertaken by historian Mark Peel noted that the methods used in the 1930s to identify ‘liars and cheats’ from the ‘genuinely needy’ included noting the ‘gestures, expressions, dress and physical surroundings’ of candidates. ‘Evasive eyes and a smirking manner were a dead give away’ (Mendes 2004: 1).

While the Howard government was in power, discourse from government, the media, think tanks and the public used to identify advocacy groups and welfare recipients contained terms such as ‘rag-tag battalion of socialist academics’ (Saunders 2005: 50); and labels such as ‘dole bludgers; welfare cheats; illegals; bleeding hearts; left wing socialists; job snobs; losers; and the aboriginal industry’, were used regularly as a means to discredit dissenters of government policy and their viewpoints and to manufacture a ‘fear of the disadvantaged’ (Lawrence 2005).

4.3.5 Fear of the disadvantaged

Democracy is a 'fear-resolving' system of governance. Power is limited in Australia by the enactment of laws and the implementation of institutions. The executive, parliament, judiciary and the federation separate and disperse power. Historically, protection against exploitation and the desire for equality led to the introduction of industrial relations, taxation and social services. Disregarding these precautionary instruments 'fear' is used as a tool by governments and their advocates to control and increase their power. 'Political fear' is a means to attain desired political aims and to validate certain moral beliefs and the political ideology of those wielding power or those in pursuit of it. It is an effective tool in the management of challenges to ideology and beliefs, and keeps those who desire greater equity in order. External threats from 'illegal immigrants' and 'terrorists' preoccupy the media and government attention, but these tend to hide the impact that 'fear' has upon ordinary domestic issues such as 'social, economic and political inequalities' (Lawrence 2005).

In Australia, certain groups are particular targets of fear campaigns. Indigenous Australians, sole parents, unemployed people and the disabled are more likely to be targeted than others are. Welfare recipients are perceived as lazy and will not work without the threat of being penalised if they do not comply with mutual obligation demands and are perceived to have developed a 'culture of dependency' on government assistance. The Howard government fostered a 'punitive agenda' which disciplines people rather than enabling them to

improve their situation, and frightens people into complying. Rights are not a factor under this system, individual contracts means that breaching contracts results in punishment. Theoretically, contracts imply freedom of choice to accept the contract or not. In reality, most people have no choice. Many people do not choose to be unemployed, single parents or disabled (Lawrence 2005). Contracts are also contradictory to the idea of the rights of citizens to a decent income in the modern welfare state (Green 2005: 6).

The use of fear justifies policies nevertheless, and moves the focus away from policy failures. Fear is a weapon advantaging the 'elites' who are able to identify 'dangerous groups' from whom the public need protection. Fear not only wins elections, it moves people away from the concept of the 'common good', and 'keeps people under control' (Lawrence 2005).

Research undertaken by the NGO, the Brotherhood of St Laurence, highlights the increasingly negative discourse surrounding poverty with terms such as 'dole bludger' and 'welfare dependency' used freely when discussing poor people (Johnson and Taylor 2000: 1). The use of negative images of poverty is politically beneficial however, because it is easier for governments to blame 'bludgers' than to take action about the structural reasons for disadvantage and inequality. Using a rational choice perspective that blames individuals for their problems and lack of action, does not acknowledge structural impacts resulting in social exclusion (Lawrence 2005).

In contemporary Australia, a key source of the behavioural poverty idea during the Howard era was neoliberalist think tanks supported by senior ministers and the former Prime Minister. Australia's neoliberalist think tank, the Centre for Independent Studies (CIS) criticised the Senate Poverty Report 'A Hand Up, not a Hand Out', alleging that the report failed to acknowledge that 'irresponsible behaviour', meaning 'excessive expenditure on smoking, drinking and gambling as well as incurring high levels of debt' is a significant cause of poverty (Mendes 2004). Published by the CIS in 2000, their report Behavioural Poverty achieved significant acclaim by the media despite containing many factual misconceptions, irregularities and a lack of conformity to academic standards of research (Australia Institute, 2000 in Mendes 2003: 33).

Proponents of this type of behavioural perspective argue that 'bad' individual behaviour causes poverty, in other words it is a 'blame the victim view' (Anderson 2001: 48; Cameron 2006: 5). This means that health problems such as obesity and hypertension, which are significant problems in some groups experiencing poverty such as the Indigenous population and women, are the result of bad choices such as poor dietary habits and a lack of exercise rather than factors contributing to perceived behavioural problems. The theory of behavioural poverty is politically useful however, because by focusing on individual responsibility for people's circumstances, the emphasis is on the individual therefore, '...policy makers don't have to make policy to improve anything' (Anderson 2001: 48).

The use of behaviouralist theories by policy makers focuses on the choices that people make. 'Bad' choices therefore, result in poverty. However, in reality financial constraint results in extremely limited choices in life or no choice at all, merely because discretionary income is minimal and the future remains without hope of improvement (Wicks 2001: 119). In contemporary Australia, the idea of behavioural poverty is publicised by media and governments through the promotion of specific case studies that support the idea for example, that a significant number of unemployed people choose not to work. However, involuntary unemployment is a continuing social and structural problem with little evidence of any substance to support the theory that people want to remain on welfare benefits (ACOSS 2005: 8).

Statistics show that people would double their income if they gained employment at the minimum wage compared with the unemployment benefit 'Newstart'. Newstart is not paid for 'bludging' either. There are rigorous tests for people not only to obtain Newstart initially, but also to remain on it, such as looking for full-time employment and participating in Work for the Dole projects (ACOSS 2005: 10, Lawrence 2005).

The focus on moral judgements made by behaviouralists also implies that those making the judgements are somehow superior to those in financial difficulties. There is the inference that, unlike welfare recipients, critics do not indulge in irresponsible behaviours; assumptions made without any solid evidence (Mendes 2004). However, the prevailing view is that people are poor because they '...choose to be poor through their own 'imprudent or irresponsible

behaviour’’ (CIS 2000 Behavioural Poverty, Somers and Block 2005: 260), because a free market ideology allows people to maximise their potential, with no structural barriers to success (Hamilton 2005: 4). However, behavioural poverty itself is a contested concept because international comparisons of poverty show notable differences unexplained by genetics or attitude. It is feasible to suggest therefore, that structural factors such as national wage setting institutions and welfare provision are significant determinants of poverty (ACOSS 2003: 89).

Other theoretical perspectives on poverty include the idea that people are poor because of a culture of poverty theory imported from the United States. Using this theory, people become accustomed to poverty, resulting in ‘welfare dependency’. This means that the social security system itself encourages poverty by eliminating motivation to accept paid work (ACOSS 2003: 89). However, the evidence for the existence of an underclass dependent upon welfare in Australia is vague. The theory is also deceptive and creates division in Australia, although it is acknowledged that increasingly, people of workforce age rely on welfare benefits for significant periods of time through unemployment or insecure underemployment (ACOSS 2003: 89).

Other arguments that the generosity of the welfare system allows for financial disincentives to people seeking employment do not withstand scrutiny given Australia’s high minimum wage relative to social security payments. However, people receiving welfare benefits face significant structural disincentives to undertake casual or part-time employment when the interaction of tax policy

with welfare policy results in high effective marginal tax rates (ACOSS 2003: 100).

These are strong disincentives for people receiving some government benefits to earn more, as well as being instrumental in the creation of poverty traps because ‘...the tax rate is compounded by the rate at which benefits are withdrawn’ (Leet 2005; Abbott 2006). Effective marginal tax rates are also a classic example of the government’s failure to provide a ‘whole of government’ approach to poverty, a crucial factor when dealing with wicked problems.

4.3.6 Structural constraints: effective marginal tax rates

Effective marginal tax rates (emtrs) are ‘...the percentage of one dollar increase in private income that is lost to income tax and income tests on government cash benefits’ (Henderson 2003). High emtrs are greater than the tax rate that usually applies to salaries and wages, and they occur for reasons such as income tests for cash payments (Henderson 2003).

A report commissioned by the Treasury comparing Australian taxation policy with other OECD nations, highlights the situation that the interaction of the taxation system with the welfare system means that Australia has significant work disincentives for people moving from welfare to work (Gordon 2006). Although the Treasurer under the Howard government considered that the taxation rates for people on welfare remained low, the interaction of the

welfare system with the tax system meant that it was not economically sound for people to take on work (Gordon 2006).

During the Howard era, families on a single average income with two children lost up to fifty-two cents in the dollar of extra income earned because of the interaction of taxation policy with welfare policy. A single mother with two children lost up to sixty-six cents of every extra dollar earned over the threshold. The former Treasurer however, dismissed calls for reform of this anomaly, because he did not see this work disincentive as a problem of the tax system, but rather as a problem with the welfare system (Gordon 2006).

Despite the Treasurer's assertion, it is clear that the manner in which the tax system and the welfare system interact creates detrimental effects for some citizens (Leet 2005). A Senate Inquiry (2004: 87) undertaken during the Howard term of government concluded that the '...tax system and the welfare system have now become so intertwined that it is virtually impossible to make recommendations in one field of policy which do not impact upon the other' (Leet 2005).

The government was aware of the problem of work disincentives through the interaction of its policies for some time. Former employment minister, Tony Abbott, stated in 2003 that '...it's not sufficiently understood that Australia has a progressive tax system but a regressive personal income system through the interaction of tax and welfare for people with low and middle incomes' (Henderson 2003). At the time, Abbott concluded an example by stating that:

[I]t is generally believed that a 48.5 percent top marginal tax rate...constitutes a significant disincentive to earn and achieve... Unfortunately, the interaction of the tax system and the welfare system means that people moving from unemployment to work generally face effective marginal tax rates of nearly 70 percent and sometimes over 100 per cent. If 48.5 percent tax discourages people with responsible jobs, what about the impact of 67 percent on unemployed people? What is thought to be a significant disincentive to well-qualified people doing interesting jobs can hardly fail to discourage less well-motivated people working for about \$10 an hour (Abbott 2003).

While Prime Minister Howard conceded that the government could do more to improve incentives, in defending the system, he could offer no idea of the type of action that might be effective (Colebatch 2006). Some arguments suggest that high EMTRs may not constitute a significant workforce disincentive in practice. For example, according to a government publication in 1997, customers do not understand EMTRs; therefore, there is no behavioural impact. High EMTRs affect only a few people and, where high EMTRs do have an impact, they do so over a short income range. The viewpoint is taken, that any likely impact of high EMTRs is offset by the social rather than economic benefits of work (DSS 1997).

Although some analysts and interest groups may consider welfare reform or tax reform for low-income earners necessary, in practice it has not made it on the political agenda (Henderson 2003) with one significant problem being that numerous analysts have no appreciation of the low-income level experienced by the average Australian (Leigh 2006).

Reform debate has arisen from the many interest groups that have a stake in taxation policy including politicians, economists, accountants, businesses and

individuals. As a result, data is manipulated to support claims from various groups (Greenwood 2006). One significant point in the debate is the methodology used to obtain data about the income levels of the average Australian. The government uses the mean income rather than the median income, and it does not include unemployed people or people who are in part time or casual employment in its statistics (Leigh 2006). The following table shows the significant differences between the various measurements and methodologies used to obtain data. This manipulation of figures is significant in its impact on the terms of the debate.

Table 3: ABS Average Weekly Earnings

Median adult income	\$26,000
Mean instead of median	\$35,000
Excluding unemployed persons	\$42,000
Excluding those who work part-time	\$56,000

Source: Rows 1 and 2 are from the 2003 wave of the HILDA survey, increased by 7.5% to take account of income growth since the survey was conducted. Rows 3 and 4 are “All employees’ total earnings” and “Full-time adult total earnings”, from ABS Average Weekly Earnings, Australia, Cat No 6302.0, August 2005 (released 17/11/2005 in Leigh 2006: 3).

This table shows that using the mean income rather than the median income results in significantly different statistics. Research undertaken using the Household, Income and Labour Dynamics in Australia survey (HILDA) has identified that the median income of the average Australian is \$26,000, a figure that is far from the top tax bracket (Leigh 2006: 3). Mean income is reached by dividing the total income in Australia by the number of working people and is affected if high-income earners salaries rise. The median income is reached by

identifying the person at the fiftieth percentile. Another significant impact is the exclusion of unemployed people from the measurement. The number of unemployed persons is significant when measuring average incomes and how this impacts on statistics should be important to policymakers (Leigh 2006: 3).

The exclusion of part time and casual workers also inflates the average income estimate. This is an increasing for of work for many people and should be included when estimating incomes. When all three errors are identified, the average income is estimated at \$56,000, more than twice the actual income of the average Australian, raising serious questions about the accuracy of statistics in taxation and welfare policy debates (Leigh 2006: 3).

While behavioural theories have some usefulness in analysing poverty, it is a concern that the APS's use of rational choice theories dismisses structural constraints to behaviour such as conflicting policies, and the fragmentation of issues between government departments and agencies. High unemployment in regional areas and earlier historical practices of redundancy and part-time and casual employment are also structural constraints faced by people experiencing poverty. Racism and discrimination continue to play a significant part in the unemployment of some groups; with ageism an increasing problem with the ageing of the baby boomer generation (ACOSS 2003: 100). By not acknowledging structural constraints, and by focusing on individual responsibility for people's circumstances, decisions are not made to address structural problems and therefore no public policy is considered necessary (Anderson 2001: 48).

Structural factors nonetheless frame individual behaviour, and have a major impact because the situations in which poor people find themselves often results in certain behaviour not the conflicting argument that people are poor because of their behaviour (ACOSS 2003: 100). Therefore, while the main aim of the APS when implementing the Howard government's social policy was to assist behavioural change, this is impossible if there is no political motivation to ensure people that their situations will change (ACOSS 2003: 100). Ternowetsky (1980) argues that:

[I]t is not reasonable to expect people to stop acting like they are poor as long as they are poor. Values, beliefs, and patterns of conduct interfering with moving out of poverty will persist if conditions supporting such thoughts and actions continue; if these conditions are altered, so will thoughts and actions (Ternowetsky 1980, in ACOSS 2003: 100).

Research has identified that lack of control over their lives is a significant factor in 'bad behaviour' amongst people experiencing poverty, and behaviour will remain unchanged unless the social and economic features of poverty are revised. Therefore, attempting to place total responsibility for people's situation on their own behaviour is a manifestly inadequate approach to policy development (Commonwealth of Australia 1999: 14).

The use of a neoliberalist ideology in government approaches to social policy has also resulted in a focus on the problems of the middle class and the economy, therefore interest in solving the poverty problem is depleted (Stewart, 1996 in Johnson and Taylor 2000: 1). Media images of overseas poverty have also meant that there is a general lack of understanding of the meaning of poverty in contemporary Australia. Media images of third world

poverty which depict people starving, injured and abused affect the perception of poverty in Australia because Australians in poverty are not seen to be in the same category as those living in the Third World; in effect, the problem is not as visible (Johnson and Taylor 2000: 3).

The reality of poverty in Australia is different to government rhetoric and media images. It is also less convincing to a modern society, so it is challenging to interested parties to present this reality without resorting to emotive pleas in order to induce action. Emotive pleas tend to perpetuate the myth of poverty and do not identify the struggles that people have to educate their children, the pressure on families that results in breakdown, the marginalisation of young people and the desperation that sometimes leads to crime or suicide (ACOSS 2003: 9). More attention is paid these days to the burden that poverty-stricken people place on taxpayers rather than the problem itself (ACOSS 2003: 33). Rather than addressing the social costs of poverty or disadvantage, the focus is now upon the costs to the taxpayer. The debate is more about reducing welfare dependency than attending to the formulation of solutions to poverty and disadvantage (ACOSS 2003: 37).

It is important to realise that all recipients of public money have a responsibility to earn public largesse, and this includes businesses and individuals who receive taxation concessions and subsidies. Unemployed people are responsible for caring for their families, are expected to look for work, improve their skills or education or participate in 'work for the dole' schemes. However, the unemployed are not responsible for failures in the

system and most would prefer to be independent than exist under the scrutiny of the government's welfare provider 'Centrelink'. They are also not responsible for structural changes in employment policy such as the decline in full time jobs and increased part time and casual work which has resulted in the reality that workers are often forced into onto welfare benefits, and therefore into poverty merely to survive (Lawrence 2005).

This chapter identifies multiple classifications of poverty that have hindered a definition. The concept of multiple disadvantage replaced poverty in policy rhetoric, adding further complexity to the issue. While this shift suggests action by government, political priorities explain the failure of the government to identify low income is a factor in multiple disadvantage for all Australians.

Public service reforms have not resulted in more flexible, innovative approaches to poverty. The reality of poverty encompasses more than 'bad' individual behaviour, a theory made popular with government through a neoliberalist idea of small government. Using this theory, government denies responsibility for the situation of some Australian citizens. Behaviouralist perspectives reject structural reasons that constrain behaviour, arguing that people make rational choices to improve their situations. Blaming people for their behaviour is not new, and this case study demonstrates the continued use of poverty interpretations such as welfare dependency and the rhetoric of perversity. These obstruct positive action, and identify evidence of consistent policy failure for groups undeserving of government assistance.

A conclusion reached from this analysis is that private sector practices to solve poverty have failed. Private sector practices have demonstrated unintended consequences such as fragmented information, knowledge competition, decreasing government infrastructure and an overall lack of political will to solve the problem. The next chapter moves onto water as an environmental issue. Like poverty, environmental water remains undefined, it involves the environment as well as interest groups and its continued intractability leads to conclusions that there is little political will to solve the problem.

Chapter 5: Environmental Issues – Water

Introduction

While historically, governments have seldom analysed important environmental, social and cultural issues in an integrated fashion dealing with these types of problems provides the key to the formation of a liberal democratic nation that strives to achieve equity and sustainability. By commencing analysis with the state of the environment, it may be recognised that natural capital, that is ‘...land, air, fresh waters, seas, and flora and fauna’ (ABS 2002: 1), and a quality environment form the basis of functioning societies (Yencken and Porter 2001: 12-14). Conversely, by ignoring and degrading the environment, the economy is adversely affected and productivity is reduced. The health and wellbeing of citizens is compromised, and inequality between populations increases. This is because the poor and disadvantaged lack the means to be able to choose where to live, making them more likely to have to endure environmental degradation than the privileged (Human Development Report 2006: 5; Beder 2006: 72).

Australia has an old economy in environmental terms; one that uses large amounts of fossil fuels and water and produces substantial amounts of waste to generate wealth (Yencken and Porter 2001: 86). The complexity of water as an environmental policy issue is increased when the range of the development of Australia’s water resources varies from highly regulated to virtually untouched (DEH 2004). Australia has also experienced drought regularly throughout its history; affecting agriculture, rural towns, cities, economic growth and

environmental health. The environment in some areas of Australia has also been affected by human behaviour resulting in problems with salinity and land degradation including the effects of imported vermin for example, with the historical over allocation of water for agricultural purposes in particular resulting in diminished river health (Ruting 2006).

Water is essential to life, it is vital to the health and well-being of all living creatures, and it has an important economic aspect for industry as well as spiritual and religious significance for many people. Not least, water is essential for environmental health and biodiversity. The complexity of water therefore, means that attempts to control and manage water usage in particular is confronting for governments, groups and individuals (Connell and Hussey 2006). One of the most significant difficulties in water management is the tension between perceptions of water as essential to life and as an economic resource to be bought, owned and sold. Water, unlike land, is not a static substance, and therefore its ownership is not apparent nor is it absolute. Water is also defined as a multi-use resource, which adds to its complexity (Connell and Hussey 2006; Hamstead 2007: 127). The idea that water has intrinsic value also suggests that rational decision making provides a limited approach when deciding issues that have a deep emotional significance for many people (Berry 2003 in Smith 2006: 348).

The variable nature of water has meant that some form of government control or intervention is essential to ensure equity for all users (Carrard 2005: 10). Changes to public policy are often undertaken because of a perception of a

crisis, and water policy reform is no exception. Prolonged and severe drought explained the high position of water on the Howard government's agenda, with interest group conflict adding to the definition of crisis (Carrard 2004). In reality, the variability of Australia's climate means that drought has been a common event throughout its history. Since European settlement however, drought in Australia has been identified as a natural disaster with governments acting within their natural disaster policy frameworks. Nevertheless, by framing water issues as crises or natural disasters, this means that '...by its very nature, drought policy is of only periodic interest to the public' unlike economic policies such as interest rates (Botterill 2003: 63).

Drought as a crisis issue is made more complex by the enduring Australian response that:

[I]n any catastrophe, public sympathy goes out to the victims, but when those victims are the sons of the soil, on the margins of the good earth, struggling to give us our daily bread, the emotional response is tremendous and objectivity is often left behind (Heathcote). The "bush" and the rural are often presented as quintessentially Australian, an important part of the national character (Botterill 2003: 61).

One reason for the endurance of this sentiment is because farming is often perceived and promoted as the primary occupation which provides the natural materials and food upon which all other activities rely (Flinn and Johnson 1974 in Botterill 2009: 60). The concept of noble yeoman still exists today, with agricultural traditions identified by former Prime Minister Howard as '...part of the psyche of this country, it is part of the essence of Australia to have a rural community' (Howard 2006 in Merlan and Rafferty 2009: 1).

However, historical decisions have meant that too much water is allocated by governments for agriculture in Australia resulting in an environmental crisis in some areas, and minimal government policy has been developed to address this. Rhetoric about an environmental crisis and the necessity for robust water policy has not been matched by sufficient action to affect this reality (Ruting 2006). The tension between water as an environmental necessity and a commodity to be bought and sold means that government approaches to the water issue are fraught with political complexity. As one public servant interviewed noted, water as an environmental issue during the Howard era was: ‘absolutely front and centre’. The interviewee tempered this remark however with:

...that's not to say that decisions won't be made that some parts of the environment will be worse off, you know some of those decisions will be made. But if you want to make a decision which said that all we're interested in is irrigation and water efficiency, we could concrete the Murray Darling, turn it into one huge dam and we'd have heaps for agriculture. It's about saying no, we don't want to do that; there are certain environmental aspects of this that we want to maintain. And there are choices we made in some places that are predominant and in some places it is what we call a working river; that it is quite clear that a certain amount of water is required to maintain a basic ecological condition of rivers and streams. It actually has a productive benefit too, because if you extract too much water, or if you don't manage the water in a different way or you pollute it, you move then, from a water quantity problem to a water quality problem. There is no point in putting water with toxic blue-green algae on your crops because it will kill them. So there's a production perspective to this as well. Its one of those debates where people always have different views about how much is required for natural flows and how much should be required for irrigation, and that's a good thing - to extend the debate in a democracy. That's one of the reasons why you need governments because you need someone to make a decision. Governments make certain decisions - some people will think they've gone too far one way or the other, and some people will think it's a reasonable decision. But I think the important thing is again, those decisions are public; people know what the decision is.

Political complexity has meant that despite water as an environmental issue being on top of the Howard government's agenda, there were no policies and procedures in Australia at the time to ensure that saved water is returned to the environment for the benefit of the environment. Commodification approaches, which set costs and regulations on water, have been slow in terms of governments embracing policies regarding the demand for water; and changing public attitudes to reusing water has been slow (Harris 2006: 33).

Like the issue of poverty discussed in the previous chapter, one important reason for this lack of robust policy to restore or protect the environment in Australia, and also a significant reason why the issue is considered to be 'wicked', is that there is a lack of consensus on the meaning of the term 'environmental water'.

5.1 Background

It has only been since the 1930s that water in its environmental context has been acknowledged by governments in Australia. In the past, people with environmental interests were unable to attain rights to water and they were also unable to compete with other interest groups demanding water (Livingston 2005: 27). Acknowledgment that early policies have damaged the environment led to the increased importance of water as an environmental issue during the Howard era, with one interviewee considering that environmental water:

...is very political ... now in an institutional setting and a political setting; it's very important. It's a political forum in a federal system.

The politics of water can't be separated from the politics of the institutional arrangements within each State and they vary quite markedly...

The politics starts at the ground level and then mounts up. So what happens with the environment, what happens on the ground with local politics is the driver of what happens at the national [level].

Even though the environment achieved greater standing in public policy, one of the most difficult problems of environmental water policy is that the concept of water for environmental health is highly contested. From one interviewee's perspective:

...well you would say that there's a clear policy strand that says we recognise that in managing the River Murray, we've got to manage the environment. The environment has its own needs as distinct from... say industry and we're calling it environmental water. When we're talking about recovering water to look after the environment, we've decided we're going to give 500 gigs. We're going to return those flows to the Murray so that the mouth doesn't get clogged up. Simplistically, that's why there's that sort of response. Beyond that, even in our own program (we actually have a program here - call it environment water allocation) we're actually looking at the science, the research, the social science and the economics around.... People are saying so let's think separately about water for the environment as distinct from water for industry or consumption. There's a whole range of issues in there that we're engaged in, there's a lot of research going on and a lot of results, and it's called a water allocation program, so there's those sorts of clear indications and awareness and activity both in policy and research that seem to recognise that concept.

Notwithstanding the importance that water for the environment achieved during the Howard era as a result of a fresh water crisis, a definitive explanation of the term 'environmental water' remains elusive. The National Water Initiative (NWI) refers to water use as having certain 'environmental and other public benefit outcomes' including:

- ‘environmental outcomes: maintaining ecosystem function (eg. through periodic inundation of floodplain wetlands); biodiversity, water quality; river health targets; and
- other public benefits: mitigating pollution, public health (eg. limiting noxious algal blooms), indigenous and cultural values, recreation, fisheries, tourism, navigation and amenity values’ (Intergovernmental Agreement on a National Water Initiative 2004: 29).

Like the issue of poverty discussed in the previous chapter, the highly contested nature of environmental water has also meant that analysts have interpreted the concept in several different ways in their research; making it even more difficult to achieve an adequate overall understanding of the issue. For example, environmental water was identified by the National Stocktake of Water Accounting (Sinclair Knight Merz, 2006 in Hamstead 2007) as having several interpretations including:

- water that is used by natural processes such as evaporation and transpiration;
- the water that remains after human consumption;
- water that has been specifically allocated as water for the environment;
- stored water that is released for environmental purposes;
- water that has been allocated to the environment as a right; and
- water that benefits the environment (Hamstead 2007: 127).

This diversity of interpretation of environmental water naturally adds complexity to the research and analysis of water policy (Hamstead 2007: 127).

The increase of environmental awareness has resulted in significant changes to the subjective ideas of water problems (Livingston 2005: 27). However, another problem that increases the complexity of water policy is that subjective opinions tend to be overpowered by the professed objectivity supplied by scientific and bureaucratic discourse in environmental policy making (Smith 2006: 348). As one interviewee commented:

I don't believe there is a high degree of political awareness and interest of the social and economic [factors of environmental policy] although it's still here and it's being done, so that's one sort of comment to make. Another comment to make is it's very hard in itself from a research point of view, to get the effective input of that stuff into environmental research and have it recognised alongside the biophysical stuff; that's often an issue that we work on. So methodologically if you like, conceptually it's difficult. A lot of people regard it as soft and fuzzy, not as hard science so those sorts of issues are very real issues that we have to grapple with in what we do and how we do it and how it's seen as a constant [challenge].

There is significant tension between the economic and environmental aspects of water. From an environmental perspective, it is clear that past policy decisions have meant that the health of Australia's river systems was abandoned in the historical desire for an agricultural industry in particular to allow for the expansion and growth of the nation. These early decisions have impacted upon the contemporary perception that, if water is reallocated to the environment to improve river flows, it will be detrimental to the livelihoods of farmers in particular, and subsequently, will be bad for the economy (Weir 2009: 3).

Public awareness of an environmental crisis resulting from prolonged drought and destructive human activity has meant that governments have increased

their financial investment in environmental policies in attempts to solve the problem (Pannell 2002). For example, the Australian Liberal Party reported that the former Howard government allocated \$4.3 billion in its final budget in 2007-08 to the environment. This was contrasted with the amount set aside by the earlier Keating Labor government in its final budget in 1995-96, which totalled less than \$500 million (Marohasy 2008: 35).

While government intervention is considered necessary as a result of the distressed state of the Murray-Darling Basin (MDB) in particular; there is continued public concern that '[W]ater and environmental policy is attempted with significantly less data and resources than economic policy' (Harris 2006: 37). The MDB is an important environmental issue in Australia because it has been in considerable distress for many years; the result of low storage levels of water and the destruction of habitat from salt, low river flows and the cessation of floods essential for biodiversity (Harris 2006: 16; Crase, Dollery and Wallis 2005: 222).

As may be seen in the map below, the Basin is situated in the south east of Australia, and encompasses an area of 1,059,000 square kilometres or fourteen percent of Australia's land mass. The basin crosses state boundaries, more than three quarters of New South Wales, more than half of Victoria, large parts of Queensland and South Australia and all of the Australian Capital Territory. There is significant variability of climate in the areas covered by the basin, including rainforests, temperate, sub-tropical, and arid and semi arid regions. Australia's three longest rivers the Darling (2,740 km), Murray (2,530 km) and

Murrumbidgee (1,690 km) are found in the MDB (MDBC 2006); which in 2006, held approximately ten percent of Australia's population. During 2004-2005 industry and households used fifty two percent of Australia's total water use. Eighty three percent of this water was utilised by the agricultural sector. The gross value of the agricultural industry in the Basin reached fifteen billion dollars in 2005-2006, equalling thirty nine percent of agricultural goods (Australian Bureau of Statistics 2007).



Source: Murray Darling Basin Association

Environmental damage has occurred in the Basin because almost all of the 10,000 gegalitres of water that flows into the system annually is allocated to

industries such as the agricultural industry for irrigation practices. To reach an understanding of the enormity of extraction by irrigation, urban users in Sydney (Australia's largest city) consume about 650 gigalitres of water per annum (Quiggin 2003). The demand for water for various purposes is increasing right across Australia, notwithstanding an improved focus by governments on environmental policy and the perception of a water crisis, and it is feared that the demand for water will eventually exceed supply (Harris 2006: 39).

As a critical environmental issue, the water crisis created a sense of urgency in the Howard government, and this resulted in the perception that significant action had been undertaken in the form of government initiatives to solve the problem. For example there is the Council of Australian Governments (COAG) Agreement for Water Reform initiated in 1994 under the Keating Labor government; the National Water Initiative (NWI) formed in 2004; the Murray-Darling Basin Commission (MDBC) and The Living Murray initiative; the Australian Water Fund; and the 2006 Water Summit. All of the last five initiatives were products of the Howard government.

There have been some positive outcomes of the Howard government's approach to water policy, including the result that government intervention has prevented new water allocations from stressed rivers, and ecologically unsustainable dams are no longer being constructed. It was also a positive action that the provision for environmental flows and the preservation of the ecology was included in water management plans for surface and groundwater.

Other initiatives such as the Natural Heritage Trust (NHT) combine with these positive outcomes to assist in dealing with the extensive degradation of valuable land and water assets (DEH 2004).

The results have not been completely positive however. An assessment of initiatives such as the National Action Plan for Salinity and Water Quality (NAP) and the NHT for example, has identified that these initiatives lacked strategic approaches for the overall problem of water management and while they have been adequate in addressing local and regional needs, they do not deal with improved practices generally and the necessity of sustainable solutions to the problem (Harris 2006: 32). According to two interviewees:

Murray darling Basin Commission is at odds with the National Water Initiative which is built on the NCP, the stressed rivers concept... that cap on allocations ignores whether the river is stressed or not. So there is an institutional conflict, and how that is resolved is still an open issue.

There is a huge set of agendas because the Murray Darling is national and how it sits with this is an interesting set of questions. Basically it can be argued that they are inconsistent.

As a result, notwithstanding a management approach to water, environmental degradation is continuing. The former Murray-Darling Basin Ministerial Council (MDBMC) suggested that 1.2million hectares of land in the Basin would be affected by salinity by the year 2050. Madden, Hayes and Dugga estimated in 2000 that it would cost \$65billion over the next decade to stop land degradation and to repair the damage in the Basin that has already occurred (Cruse, Dollery and Wallis 2005: 222).

While their economic commitments make it apparent that governments are willing to act to address environmental disasters, it has been suggested that the Murray River alone will require five times more water than agreed under the 2002 Living Murray Initiative, merely to maintain its current inadequate flows. The Australian government in 2006 gave an extra \$500 million to the Murray Darling Basin Commission to restore an extra 500 billion litres of water a year to the river by 2009. Scientists from Australia's foremost scientific research body the Commonwealth Scientific and Industrial Research Organisation (CSIRO) argue that even when the 500 billion litres goal is reached, 2,000 billion litres of water will be required before 2030 just to maintain current flows. The CSIRO also reports that environmental benefits from the 500 billion litres would probably be diminished by reduced flows in the future. It has been indicated that while further research is necessary, there is also the need for longer-term approaches because of the six major threats to the Murray River currently identified. These are:

- climate change impacts;
- an increased number of dams on farms;
- greater use of groundwater;
- impact of water supplies from plantation timber farms;
- less return of water from irrigation to the environment; and
- recovery of the environment from bushfires (Minchin 2006).

Action is therefore needed to change the way that resources are utilised in the Basin and also to gain an understanding of the needs of the rivers. It is not good policy however, to wait until the system is understood before taking

action because this will result in further deterioration of the Basin and damage will subsequently be more expensive to correct in the long term (Gehrke et al 2003: 7).

One of the most significant political challenges governments face is when they attempt to change historical policy priorities. It is apparent that early policy decisions, management practices, ideological positions and structural arrangements have meant a devastating legacy of degradation, pollution and diversity loss in the iconic river basins of Australia in particular. To say that '[O]verall, the state of the inland waters environment in the southern and eastern part of Australia is not very healthy' (Harris 2006: 32-37) is a magnificent understatement.

As previously discussed, the acknowledgement by the Howard government that there has been severe environmental degradation to Australia's water systems enabled environmental needs to become paramount in government decisions regarding water use. The importance of natural capital (and the necessity to restore Australia's river systems) has also been emphasised in contemporary policymaking (Harris 2006: 9). Nevertheless, while the concept of sustainability and environmental protection was high on the Howard government's agenda, the perceived inadequacy of government policies to directly or effectively address the significant problems associated with water and its link with the quality of the environment in Australia remains an enduring issue (Yencken and Porter 2001: 18).

From an historical institutionalist perspective, it is considered that historical

decisions based on perceptions of the domination of ‘man over nature’ as well as the federalist structure of Australia’s system of government have played major roles in water as a contemporary environmental issue. The imported ideas and ideology from Britain and America for example that framed early government approaches to water policy in Australia have had a significant effect on contemporary water policies and these are examined later in this chapter. Constitutional decisions to grant water rights to the States and Territories have also compounded solutions to environmental water management because of conflicting and fragmented approaches to water management nationally. The distinction made between rural and urban water issues adds further complexity to water management policies, and the different instruments used to implement policy add significantly to the tension existing in Australia’s overall water policies. A market approach has been promoted to manage water for the environment notwithstanding the acknowledgement of a crisis situation, while harsh regulation has been used when addressing the urban water crisis. These issues will be discussed later in this chapter. Firstly, however it is important to look at the Australian government’s early approaches to water policy based on the idea of a new nation anxious to ‘populate or perish’.

5.2 Historical approaches to water policy

5.2.1 A magic pudding framework and a domination approach

Australia was new and uncharted territory to early settlers, whose ideas about water management were based on European experience and imported myths

from the United States. The resulting ethos has had a significant impact on contemporary environmental policy. The early fundamental model controlling the formation of water supplies in Australia from 1799-1990 has been identified as a 'magic pudding' framework, where it is argued that the solution to increased demands for water would be found through taming and developing further available resources (McKay 2005: 38). Indeed, the Victorian Irrigation Act of 1886, which provided a framework of legislation for the Australian States including an explanation of the concepts of ownership and rights, was based on a model initiated by former Prime Minister Alfred Deakin where the interpretation of the Act was to enable the establishment of '...man's final and complete dominion over a hostile environment, or fulfil his sacred commission to improve on nature' (Powell 1976: 132 in Catchment Hydrology n.d.17).

This domination strategy, along with extraneous ideas such as 'rain follows the plough' and 'yeoman farmer' were acknowledged to have been responsible for environmental problems that were identified as early as 1900. These included '...soil erosion through overstocking, destruction of vegetation, growing numbers of rabbits and frequent droughts', leading to the conclusion that a domination strategy was not only inadequate, it was environmentally destructive (McKay 2005: 38). The ideas of 'rain follows the plough' and 'yeoman farmer' have also been identified as contributing to environmental degradation.

The 'rain follows the plough' theory is based on an idea promoted in 1881 by Charles Dana Wilber, an entrepreneur involved in expanding settlement in

America's West. The idea resulted from climatology theories posited by some renowned European Earth scientists of the day that '...settlement and cultivation, particularly the planting of trees, would transform arid regions into fertile, loamy expanses bathed in rain' (Kevles 1999: 215). The belief behind the theory was that the moisture needed for rain was trapped in the soil; and that cultivation would enable this moisture to be taken up by the air, resulting in rain (Australian Government: 2002). The claim was embellished with declarations that '...rainfall increased not just with trees, but with ploughing and possibly even with the laying of telegraph lines and railway tracks' (Kevles 1999: 215).

The 'rain follows the plough' theory affected early approaches to the development of the agricultural industry in which the concept of the 'noble yeoman' working his land was significant to Australia's early water policies. Agriculture in colonial times was thought to be a fine occupation, essentially 'worthwhile and wholesome' and the desire to move people into inland Australia was seen to be good social policy (Cruse 2008). Other social reasons promoted at the time of settlement included the desire to reform convicts (Connors 1970; Shaw 1990); to spread 'civilisation' (Lake 1987); to diminish class conflict (Callaghan and Millington 1956 ; Lake 1987); to provide employment during depressions; and to reward returned soldiers (Lake 1987). Decision-makers considered that the best way to reach these goals was through the development of a group of people that farm their own land (Pike 1962). It was therefore essential that an irrigation sector was developed to enable these noble yeomen to survive (Cruse: 2008). Water was subsequently supplied to

farmers at reduced rates for nation-building purposes. What this decision meant historically, was that there was little incentive for farmers to use water efficiently (Catchment Hydrology 17).

As a result, it was in the 1970s that the imported framework of yeoman farmer was identified by the Australian Senate as problematic when used in the Australian context (McKay 2005: 38). One significant and basic problem identified at the time was that State governments allocated land, determined its use and provided subsidies to assist farmers. These ‘closer settlement’ strategies practised by the States however, did not recognise the essential qualities of Australia’s soil and seasons resulting in flawed policy decisions such as the expansion of wheat farming in South Australia during the 1870s-80s. At the time, this decision resulted in significant debate about Australia’s variable climate and its effect on settlement (Connell 2007: 7).

The expansion of wheat farms into northern South Australia has been identified as a disastrous policy failure. The government had previously sold parcels of land in South Australia to subsidise emigration; and by the 1860s, most of the good farming land had been sold. Hunger for more land for agriculture meant that the government came under pressure to increase allocations to allow for the expansion of wheat farming. Attempting to identify the suitability of land in South Australia for agriculture, George Goyder, Australia’s Surveyor General in the 1870s, was sent to survey ‘...the line of demarcation between that portion of the country where the rainfall has extended, and that where the drought prevails’ (Parliamentary Papers (South Australia) 1865-6, No. 62 in

Meinig 1958: 207). Goyder's research subsequently identified a boundary signifying where agricultural pursuits should not be attempted that was '...palpable to the eye from the nature of the country itself' (Parliamentary Papers (South Australia) 1865-6, No. 62 in Meinig 1958: 207). Goyder subsequently advised against the idea of expanding wheat farming into northern South Australia. He predicted that the variability of the Australian climate meant that the droughts that had occurred during the 1860s would return (Connell 2007: 7-8).

In the 1870s however, the demand for more land increased, with the result that the government succumbed to pressure and allowed settlement to the northern border of South Australia. Goyder's advice was therefore ignored with farmers alleging that he had forgotten the old European maxim that 'rain follows the plough'. For several years, increased agriculture meant that abundant crops and prosperity resulted from the farming of the 'Golden North' (Australian Government 2001). Success was fleeting however, because severe drought returned in 1881 lasting for several years, ruining farmers and causing settlements to be abandoned. Goyder's prediction of the variable nature of Australia's climate was correct and the settlers had to concede defeat, leaving behind them '...a degraded landscape littered with ruined buildings that can be seen to this day' (Connell 2007: 7-8).

The failure of early settlers and decision-makers to recognise the variability of Australia's climate was not the only problem that influenced the development of early water policy in Australia. This thesis now moves on to another

historical decision that has affected its water policies; that is State boundaries, which have contributed to environmentally unsound water policies, fragmenting a national environmental water policy approach. As one interviewee argued:

Murray Darling's got a very legitimate logic for national government involvement. Murray Darling's got cross jurisdiction across four states so it's a classic case of why a national government should be involved.

5.2.2 Federation and the fragmentation of water policy

At the time Australia's rural and agricultural areas were forming, forty percent of Australia's European population was urbanised in the 1860s, increasing to fifty percent over the following two decades. As a result of this population increase, it soon became apparent that the water systems in these areas were inadequate for the size of the urban population. Under common law, governments were unable to seize land for increased water availability. Legislated water rights therefore became necessary to supply Australia's growing urban settlement. In 1886, legislation was introduced in the Constitution setting out the decision that rivers and streams belonged to the States and would be controlled by State water agencies. How water rights would be allocated to users was also decided upon, with these decisions controlled by government water administrations in each State. State governments subsequently became the providers of the infrastructure necessary for water supplies for both urban and rural areas including the building of dams (Catchment Hydrology 16).

It is natural to suggest that State and Territory governments would co-operate to achieve environmental sustainability across the nation because water crosses jurisdictional boundaries (DEH 2004). However, the decision made through Australia's Constitution to bestow the rights of managing water on the State and Territory governments has meant that attempts to allocate water rationally in Australia and make progressive changes to water policy have been significantly hindered by uncoordinated or conflicting water institutions (McKay, 2005 in Livingston 2005: 38).

This has resulted in part from each State deciding that it has absolute ownership of the water in its own region. Therefore individual systems and ways of managing water resources have been developed in each State. Today, a number of Australian States continue to ignore the impact that their conflicting regulations have upon the environments of other States; and the different methods that have been used by each to manage water and collect environmental data has meant that significant environmental harm has occurred nationally (McKay 2005: 41).

Contemporary phrases such as 'environmentally sustainable levels of extraction' and 'over allocation' are defined in federal water strategies such as the NWI. However, these phrases have been interpreted differently by Australian States, thereby limiting a unified approach to water policy. This fragmentation of approach has resulted in difficulties when attempts to assess the over allocation of water have been made. There is a lack of consensus about how much damage a certain action will have environmentally compared

with its economic results. This means that there is continuing debate about the amount of water that can be extracted from rivers and other water sources before there is a significant risk of environmental damage. Where the extraction levels are high, and environmental damage is apparent, modifying or changing extraction practices have proven to be one of the most problematic aspects of the need for water reform (National Water Commission – Waterlines iv).

This is because these problems are exacerbated by the recognition that it is extremely difficult from a political standpoint to revoke historical decisions and reallocate water to other users, including the environment (Cruse in La Trobe Opinions 2008). Complexity is added because of another historical factor that has affected contemporary approaches to water policy; that is early colonial methods of determining water rights were undertaken by government administration intent on building the nation.

5.2.3 Nation-building policies

As previously discussed, in colonial times water was supplied to farmers at reduced rates for nation-building purposes, to achieve a class of ‘noble yeoman’. Subsequently there was little historical incentive for agriculturalists to use water efficiently to limit environmental damage (Catchment Hydrology 17). Other significant nation-building initiatives, such as the Snowy River Hydro-Electric Scheme (SRHES) built in 1949 have also resulted in severe environmental damage. While being lauded historically as a symbol of modern

Australian industry, the scheme has now been recognised as a symbol of Australia's failure to balance the economy with the environment (Quiggin 2003 APO).

To ensure the environmental wellbeing of rivers, it is necessary to maintain between fifteen and thirty percent of river flows (Quiggin 2003); however a requirement of the SRHES was that just one percent of the original flow of the Snowy River was maintained. This requirement has had a devastating effect on the ecology of the river and has resulted in significant losses in environmental, social, cultural and economic benefits (Kenny 2006, Snowy River Alliance 1998). Although some of the possible negative impacts of the scheme were investigated in 1947, the Commonwealth and State Snowy River Committee concluded that:

[A]t the present time, little use is being made of the Snowy River...it rises in NSW...until it flows to waste in the sea. For most of its length it is through rugged, undeveloped country with no close settlement near it...

No use is made of its waters for power production and practically none for irrigation... (Commonwealth of Australia, 1950 in Smith 2000).

Residents in the area under investigation who were consulted at the time argued that the drastic reduction in the flow of the river would possibly result in:

- diminishing water tables with a subsequent reduction in fertility;
- an accumulation of silt in the river bed;
- an increase in the movement of salt water from the sea; and
- the obstruction of the river mouth by a sandbar creating flooding in low areas (Commonwealth of Australia, 1950 in Smith: 2000).

The arguments posited by residents were considered by the Committee to be unsound however, and conclusions were made that further work, such as extra storage, could easily be constructed in Victoria with the Victorian government wholly responsible for addressing any adverse effects that the diversion of the river should have on its lower reaches (Commonwealth of Australia, 1950 in Smith 2000). Nevertheless, it is now crystal clear that the effect of the reduced river flow has been devastating in its social and environmental impacts, and has created significant ongoing problems for communities and governments (Smith 2000).

More contemporary nation-building schemes such as the proposal to install pipelines to bring water from the tropical waters in the north of Australia to the rest of the country are inefficient and (like the arguments proposed by the Snowy River Committee in 1947) are based on the idea that water flowing to the sea is wasted. This perception of waste ignores the ecological richness of river flows, estuaries and wetlands, and their economic significance to the tourism and fishing industries for example. This is not to ignore the intangible aspects of healthy river systems (Smith 2000). As one interviewee argued:

...the northern rivers, the tropical rivers debate is the next big debate... why is it all wasting and flowing out to the sea? Why don't we capture it and bring it back down here so we can all use it? Can you imagine what that would do to the environment?

Agriculture uses approximately seventy percent of water in contemporary Australia, and while this may be argued to be advantageous to urban dwellers that consume the result, it cannot be ignored that much of this produce is

exported, translating into ‘a virtual trade of Australia’s water’ (Chartres and Williams 2006: 17).

The historical incidents used in this thesis have established that early policy approaches on water have focussed upon economic and population growth at the expense of the environment, meaning that inappropriate agricultural traditions and ways of using water have continued to be accepted by governments since settlement (McKay 2005: 38). This identification makes it clear that environmental concerns have played little part in the past policies of a nation determined to ‘populate or perish’. The Howard government acknowledged that past irrigation allocations of water were environmentally unsustainable; however urban water supplies as the result of prolonged drought were also high on the government’s agenda. These two issues have been addressed independently to influence individual demands for water and to change consumer behaviour (ABS Australian Social Trends, 2005).

5.2.4 Rural vs. urban water issues and fragmentation

As discussed in the preceding chapter, a significant aim of a neoliberalist approach to public policy is to change the behaviour of individuals to meet identified goals. Market approaches have been used as an attempt to change the behaviour of individuals who use water for irrigation purposes to make a living, whereas stringent regulation has been used to change the behaviour of urban consumers. These approaches of regulation for some users and market instruments for others are inconsistent, possibly inefficient and unlikely to

meet the primary aim of environmental goals (Quiggin 2006: 9-10). It is also important to realise that ‘...the loss of biodiversity threatens our food supplies, opportunities for recreation and tourism, and sources of medicines. These services are not captured by markets (National Water Commission – Waterlines v).

Government preferences for market instruments such as water permits to address rural water management problems assumes in theory that a price may be allocated to water, resulting in its efficient use by consumers to limit expense. This approach theoretically means that when a business is inefficient, the operators either change their current practices or the business ceases to operate. This theory however, has not occurred to a significant degree in practice (Ruting 2006). One contentious reason for this is that government assistance to farmers during times of drought for example, has allowed them to maintain their marginal businesses, with drought relief ‘...artificially propping up Australian agriculture’ (McGauran, 2006 in Tisdell 2007: 14). In economic terms, this has been estimated at 1.9 billion dollars spent by the Howard government from 2001-06 (Tisdell 2007: 14). This action demonstrates that while a sustainable environment was promoted as a primary aim of the Howard government in the NWI for example, government policies were set ‘...to maintain the status of the environment as a residual recipient of water; after all other demands are met’ (Quiggin 2006: 9).

Using policy instruments such as short-term financial aid to farmers and water restrictions in cities does not address further environmental crises such as

droughts; which are inevitable (Ruting 2006) given the variability of the Australian climate (Sheldrick 2005 in Connell 2007: 6). Therefore it is essential that structural reform is undertaken over the long term to ensure that crisis action for droughts that affect cities and agriculture does not forget the environment. It is also crucial that governments prioritise the maintenance of adequate river flows to achieve biodiversity and river health (Harris 2006: 39) and acknowledge that our environment has a 'right to water'.

5.3 Rights to water

While government intervention is essential in water management in Australia because of a water crisis (Hilderling 2006), there is no consensus about rights to water. A rights based approach encompasses basic needs and also the conservation of the environment; because:

...the term 'right to water' does not only refer to the rights of people but also to the needs of the environment with regard to river basins, lakes, etc. Realistically, a right to water cannot be secured without attention to this broader context. A failure to recognise water as an environmental resource may jeopardise the rights-based approach, which views water primarily as a social resource (Scanlon et al 2004: 22).

Fundamental rights to water are articulated in legislation for all citizens in Australia, therefore the arguments for individual rights to water are more often to be defined by optional water use; defined by how much water a person wants that is, rather than how much they need for survival. It is more complex however, to protect the rights of the environment than the rights of humans, particularly with regards to urban water supplies. The 2004 National Water Initiative states that protecting the rights of the environment should be

considered before consumer rights, however notwithstanding sustainability priorities, environmental problems have rarely been prioritised in Australia (Forester 2007).

In practice, water as an environmental necessity to protect ecosystems has been addressed after the rights of allocation to consumers. It is an optional decision by government ministers to release water into the environment, and the accountability mechanisms for a lack of decision-making are minimal. It is also important to recognise that the impact of factors such as drought and climate change have stressed the unattainable goal of resolving the competing demands of interest groups including those that demand a healthy environment (Troubled Waters). Water management principles attempt to achieve equity between the conflicting interests of people who use water commercially, and those who do not with particular emphasis on the 'public and private good dimensions of water' (Cruse, Dollery and Wallis 2005: 229). The environment is primarily a 'public good' under economic terminology (Reeson 2008), that is, it is '...a good which cannot be supplied to an individual without everyone obtaining it. It is not possible to exclude anyone from its consumption' (Snidal 1979: 532-66).

Therefore, market approaches to managing water for the environment mean that there is a cost factor when an individual who uses water for economic gain gives some of their water allocation to a public good such as the environment, whereas the community benefits overall (Reeson 2008). This type of approach neglects the argument that is irrational for farmers to forego economic gain for

a public good; and that ‘...government has an ethical imperative to have environmental policies which are effective. A policy that relies on farmers complying voluntarily with ethical principles that they may or may not agree with will not be effective’ (Pannell 2002).

5.4 Market approaches to water reform

Water reform has been linked to the National Competition Policy, introduced in 1995 resulting in an increased role for the market and the private sector for the allocation and management of water. There are problems with a market approach however particularly when dealing with environmental issues, because the market is not perfect. Using this instrument to manage water use may result in unintended consequences such as third party impacts, imperfect competition, the lessening of water as a public good and uncertain information (Etchells et al 2006: 71). Using market-based incentives may also precipitate self-interested behaviour rather than compromise from individuals with economic uses for water (Reeson 2008). Policies that rely on individuals or interest groups to ‘do the right thing’ for the common good are based on ethics; an insufficient basis on which to address an environmental crisis (Pannell 2002).

Rational choice theory assumes that people will make rational choices to improve their situations. Therefore, it would be an irrational decision for farmers to give up their water rights for the environment as a public good

because they would be relinquishing a significant source of economic wealth.

As one interviewee stated:

...why should farmers be involved in biodiversity? What's in it for them?

Behavioural change in the consumption patterns of individuals cannot be expected until the institutions that frame that behaviour are changed. Unsustainable behaviour is embedded in institutional factors such as the 'customs, laws, underlying rules and persistent organisations that shape our individual and collective behaviour' (Dovers 2001: 3). Significant behavioural change is limited when institutions remain fixed.

The usefulness of market-based instruments for some policy areas is acknowledged. However, addressing some of the complex issues of water using market instruments may have meant temporary savings for government, but it has also meant 'windfall privatisation profits' (Dovers 2001: 23). While promoting a market based approach to change the behaviour of individuals using water, it is also an enduring but not surprising concern politically that governments are reluctant to use a market approach to buy back historically over-allocated water rights from irrigators to assist in regenerating the environment (Quiggin 2006: 3). Instead, new approaches for environmental policy have resulted in the promotion of ideas such as 'ecologically sustainable development'.

5.5 New ideas for environmental policy

5.5.1 Ecologically sustainable development

In 2004, participants in the Intergovernmental Agreement on a National Water Initiative reached the conclusion that '[G]overnments have a responsibility to ensure that water is allocated and used to achieve socially and economically beneficial outcomes in a manner that is environmentally sustainable' (Intergovernmental Agreement on a National Water Initiative 2004:1). Subsequently, the long-term sustainability of water use to protect the supply of water for future generations of Australians was promoted as the primary aim of water reform (Yencken and Porter 2001: 15, DEH 2004).

To ensure the maintenance of adequate water levels in rivers for both river health and biodiversity for example, it is essential that sustainable practices be used by industries that require river water. For water consumers to comply with the idea of sustainable practice of water supplies, the total extraction of river water should not exceed the amount necessary to maintain water levels over the long term (Ruting 2006). This suggests that there is a need for governments and individuals to re-evaluate current practices which, while they are assumed to be best management practices, have been unable to achieve sustainability or reach sustainability targets because of the inadequacy of their scope and their fragmented nature. Therefore it is necessary that new ideas and solutions must be identified and put into practice in order to enable sustainable, economically feasible approaches that can be accepted by a community that realises that water in the environment is not wasted. The sheer size of the problem means

that bigger, unified initiatives committed to strategic objectives and focusing on environmental outcomes are essential (Harris 2006: 32).

The idea of ecologically sustainable development (ESD) resulted in the implementation of the National Strategy for Ecologically Sustainable Development, a strategy that came from a creative process that included relevant groups and the general public. Agreement was reached by both industry and environmentally focused groups on the principles of ESD, with a statement made by the Federal government at the time, which set out that:

[T]hree principles that are necessary to understanding sustainable development are intergenerational equity, the precautionary approach and biodiversity conservation. Together these approaches aim to prevent and reverse adverse impacts of economic and social activities on the ecosystem, while continuing to allow the sustainable, equitable development of societies (Commonwealth of Australia 2008).

The concept of sustainable development is based on equity or fairness and has resulted from ideas about social justice. Equity means that all people have a right to have their basic needs met and ‘...that burdens and rewards should not be spread too divergently across the community, and that policy should be directed with impartiality, fairness and justice towards these ends’ (Falk et 1993 in Beder 2000: 228). The notion of equity also means that ‘...there should be a minimum level of income and environmental quality below which nobody falls’ (Beder 2000: 228). The concept of equity is separate from ideas about equality. Equality may be understood as the ‘...equal treatment of all people regardless of circumstances, on the understanding that all have the same rights and entitlements. Its underlying logic is that by extending equal rights to all, inequality has been eliminated’ (Government of Western Australia 2009).

Ecologically sustainable development ideas were reinforced as vital to the management of Australia's future water supplies at the Water Summit held on 16th June 2006. The Water Summit was a landmark meeting of the Council of Australian Governments (COAG) where Commonwealth, State and Territory water ministers met to discuss the water crisis. Agreement was unanimous about the importance of protecting Australia's future water supply by focussing in particular on the challenges faced by problems such as climate change, as well as recognition that drought and human interference have been a strain on water supplies. It was concluded that it was necessary to manage water effectively to ensure reliable, sustainable and affordable water for all consumers (Commonwealth of Australia 2006: 4). As one interviewee noted:

I think the approach to it, the water reform approach, which is market-based and all the rest of it, I think has come out of the tail end of the national competition reform and the micro-reform agendas that I think have been going now for 20 or 30 years in other domains... And still if you look at the national water reforms and what they're doing, it's linked to competition policy so I think in a methodological and bureaucratic and almost research ... advising way, its been picked up in that institutional framework and concept. I think that the other thing that's happened obviously is drought and the conjunction of drought with global climate change, warming and those issues all of which I think have raised the public profile and awareness of water, and the two have come together. The approach to it, so far, is very much driven by that - from that competition, markets approach, and the two have come together.

The concept of sustainable development encompasses looking at the economic, social and environmental factors of an issue in an integrated manner. Integration has emerged as a key concept in contemporary policymaking. As one public servant interviewed noted:

[T]he other concept that you hear about is this word integration. In this context, in the natural resources management game and water's part of

that, that refers to a lot of things. One of the things it really refers to is the challenge of integrating social science and social, economic, and institutional issues with biophysical; the difficulties of doing that.

To achieve this goal, economists have been selected in Australia to take the action of merging environmental matters into the economic system. These ‘environmental economists’ consider that the environment has been damaged because of a failure to place a market value on the environment. The environment provides many economic benefits and services to Australian citizens, but because it is also recognised as a public good, economists argue that it is not valued and therefore there is little financial incentive in preserving it. The solution to this problem therefore, is to put a market price on the environment, and charge people for its use (Beder 2000: 242). According to the Productivity Commission:

[I]mproving economic efficiency may require a reallocation of water resources that increases overall net social benefits. Water markets can, through prices that reflect net social valuations, provide incentives for irrigators, water utilities and efficiency of water use (Productivity Commission 2006: 7).

The rationality behind the approach taken by environmental economists emerged from the Earth Summit in 1992, where the agreement ‘Agenda 21, the Action Plan for Sustainable Development’ was signed by more than one hundred nations. Three primary goals were articulated regarding the merging of environmental concerns and development in Agenda 21; these are:

- ‘To incorporate environmental costs in the decisions of producers and consumers, to reverse the tendency to treat the environment as a “free good” and to pass these costs on to other parts of society, other countries, or to future generations;

- To move more fully towards integration of social and environmental costs into economic activities, so that prices will appropriately reflect the relative scarcity and total value of resources and contribute towards the prevention of environmental degradation;
- To include, wherever appropriate, the use of market principles in the framing of economic instruments and policies to pursue sustainable development' (United Nations Environment Programme in Beder 2000: 233).

There was consensus between industry, environmental groups and the States on the principles of ESD at the time, but when bureaucratic and political interests were added to the equation, the strategy was weakened with a conclusion reached by the Productivity Commission that an absence of 'good policy practice' was apparent in the implementation of ESD practices. While there was acknowledgment that implementing sustainability principles would be difficult for governments, there was also the perception that there was little government commitment to the idea. The Productivity Commission argued that there was a failure of implementation, but also a deeper failure to 'institutionalise' ESD principles. The concept of sustainability therefore, '...remains at the margins of public policy and administration' notwithstanding that ESD ideas have been widely integrated into many contemporary public policies and laws (McKay 2005: 41).

Two reasons proposed for this failure are because institutions are extremely complex and the concept of sustainability is full of uncertainty. While it is clear that there will be a positive result for environmental concerns when governments utilise an ESD perspective when making policies, it is also

necessary that the process of achieving sustainability will need to be robust. The process of developing policy includes consultation and debate, with a wide range of options considered and the selected option is then implemented through institutions. Arguments about sustainability invariably identify that existing institutions are a barrier to change and need to be reformed (Dovers 2001: 5-7).

The aim of ESD approaches is to improve the damaged environment and also to improve the way that people use their environment. To achieve change, it is necessary that good processes are undertaken and these are negotiated within institutions; however the goals of ESD are complicated by the acknowledgement that:

...some political interests do not value public institutions that unsettle the status quo, focus on the longer term, inform the public, develop new insights and are independent. There are tensions between the requirements of adaptive institutions for ESD, and modern political ideologies and bureaucratic fashions that favour market-oriented reform, less inclusive policy debate, and withdrawal of the state (Dovers 2001: 23).

Unfortunately, it is apparent that the desire for ESD is not as important to government and individuals as economic policy, with claims that the approach is narrow and fragmented (Dovers 2001: 27). This means that there has been an increase in conflict between proponents of old developmental goals and supporters of the new ideas of combining environmental with economic goals under an ecologically sustainable development framework (McKay 2005: 40). It is also politically challenging to change policy priorities as previously stated

when historical allocations of water for agriculture for example, are taken into account.

The criticisms made of ESD principles by the Productivity Commission and environmentalists amongst others, support the argument that while the discourse surrounding the concept of sustainability has achieved widespread use throughout governments and interest groups; nevertheless - like poverty and environmental water - a precise definition remains elusive with the term being perceived as ambiguous and broad (Catchment Hydrology 21). By not defining something, this may be seen as a non-decision. In effect, the process used to attain ESD is framed by aspirations and objectives, with governments using persuasion as a tool rather than harder instruments such as legislation to achieve the long-term sustainability of water in a crisis situation (Catchment Hydrology 21).

From a market-based perspective, putting an economic value on water will result in the most efficient system, because demand for water will exceed its supply, therefore resulting in less wastage (Carrard 2005: 7). However, as noted in the previous chapter:

...the market is a system that advantages those most able to pay. Using the market, whether an actual market or a contrived one to value the environment, tends to produce values that reflect the prevailing distribution of income and denies people an equitable influence over their environment (Beder 2000: 235).

It is understandable that business people and governments prefer a market approach to public policy where economic instruments are used to obtain desired outcomes rather than government regulation. Using the market as an

instrument to achieve policy outcomes means that the problem changes from a political one, where people attempt to change government policy by voting for example, to an economic one where the problem is solved through market transactions. Therefore:

[A] major advantage of the market as an allocational device is that it provides a non-political solution to the social conflict raised by resource scarcity. Individuals obtain title to scarce resources through voluntary exchange and such exchange represents a solution to what would otherwise be a political issue (Chant et al in Beder 2000: 242).

Preference for market approaches to solve wicked problems such as water for the environment comes from a neoliberalist perspective including the desire for minimal government interference in a nation's activities. While this has meant extensive change in the institutions that deal with water, the impact of change has yet to be fully measured (Dover 2001: 23).

The case study analysed here identify that there are many groups with conflicting interests and values involved in poverty and water in their social and environmental contexts, with complexity compounded by an intricate institutional framework made even more complicated by scientific uncertainty resulting in knowledge gaps and the division of information (Head and Alford 2008: 5).

Both are wicked problems sharing characteristics of political priorities that play a major part in historical approaches to water policy. Using these wicked problems as case studies to identify politicisation demonstrates their intractability and risk of economic damage limits the political will to solve them. The historical decisions to grant water to farmers at low cost, and the

neglect of environmental perspectives in early government approaches to water policy are resistant to change. An economic focus values water as a commodity, to be bought and sold in the market.

Chapter 6: Discussion

This thesis identifies in Chapter 1, that the Westminster tradition of responsible government specifies the importance of a public service that is impartial, responsive and accountable to ensure professionalism in its policy making and implementation roles. The traditional concepts of impartiality, responsiveness and accountability are codified in the Values of the APS as discussed in Chapter 2; yet their strength is questioned through the politicisation allegations analysed in Chapter 3.

This analysis identifies the perception that public sector reforms since the 1970s have resulted in a responsive public service that has subsequently limited its impartiality and reduced its accountability. The use of two mainstream policy areas as case studies in this thesis challenges the validity of these claims through the identification of the endurance of political priorities for government action. It is determined that the APS has always operated in a political environment, and the analysis of these case studies questions whether the public service has ever been impartial in its strictest sense when dealing with these problems.

6.1 Impartiality

The expectation that an impartial public service is separate from the political process, therefore avoiding the apparent support of partisan or political ideas, is challenged through the politicisation claims analysed in Chapter 3. While its importance to the professional nature of the APS is endorsed in Chapter 2 by

the public servants interviewed, the case studies analysed here raise questions about the possibility of impartiality in these issue areas.

Using poverty and water has identified the historical lack of power of the APS to provide impartial and equitable policy advice, taking into account all citizens. This reality does not suggest that the APS has failed to provide a full and comprehensive analysis of the issues; rather it indicates that it will never be able to influence political priorities no matter how impartial, innovative or flexible its analysis and subsequent advice will be. Therefore, the traditional perception of an APS that is impartial, ensuring due process in the equitable treatment of all citizens may be idealistic rhetoric when used with the wicked problems addressed here.

The first case study uses the social issue of poverty to identify the effect of the politicisation of the APS, defined as increased responsiveness, decreased impartiality and the subsequent lack of accountability. An impartial public service is challenged through the shift from solving poverty to the detection of multiple disadvantages identified in Chapter 4. While it is acknowledged that this theory allows the APS to identify links between disadvantages, or the products of poverty the analysis demonstrates that the link between income poverty and multiple disadvantage may also be identified using this perspective. However, while one interviewee argued that increasing welfare to the poor would not solve poverty; yet evidence cited in Chapter 4 reveals that increasing welfare payments and government concessions has decreased the

incidence of poverty for some groups such as aged pensioners and families with children.

This reality translates into the idea concluded from this research that historically, certain groups are considered to deserve government assistance while others do not. In the case studies analysed, this is reflected in decisions made regarding the deserving and non-deserving poor, and the deserving agricultural industry and the non-deserving environment. A conclusion reached through these issue analyses is that decisions are based mainly on the market participation and economic contribution of particular groups or interests. The persistence of these priorities challenges reform notions that by using managerialist principles, the APS would be able to provide flexible and innovative policy solutions for wicked problems that are impartial and equitable. This challenge is endorsed through the historical analysis made in the case studies, which ascertains that the same theories and perspectives regularly resurface in policy rhetoric about poverty and water.

When analysing poverty, it is clear that the focus of government on the ideas of welfare dependency and the deserving and non-deserving poor, the rhetoric of perversity and moral judgements about individual behaviour have been used to gauge welfare entitlement at different stages throughout Australia's history. This suggests a discourse that has been re-used and re-packaged over time and governments; and is consistent with political rhetoric about government assistance. This discourse is also reflected in the ideas of 'deserving' yeoman farmers and the 'undeserving' environment, which, because it has not been

given a market value, does not contribute to the economy or society unless it is utilised.

Political priorities have an extensive history, and for social policies, this dates back at least to the implementation of the aged pension as discussed in Chapter 4. At that time, the decision was made to exclude certain groups exhibiting unacceptable behaviour from a social policy promoted as a right of citizenship. Political priorities are also recognised in environmental policies for water in Chapter 5. This analysis identifies that environmental health was not considered in historical preferences given to nation-building policies. However, early aims to populate Australia advocated the idea of the noble yeoman, a standard that still exists during environmental crises such as drought when government provides extra assistance to farmers. Although these early approaches have been recognised as contributing to environmental damage, governments face significant political difficulties when attempting to change policy priorities to regenerate the environment or prevent further degradation.

One conclusion reached from these case studies is the recognition that there would be no clear economic advantage in solving the environmental water crisis. Returning or allocating water to the environment to ensure its health will be economically costly to industry and individual citizens and subsequently to the national economy. There is also no clear economic advantage in solving poverty problems. Certain groups provide an essential service for a capitalist nation, and the economic costs of no unemployment would be considerable for both the private and the public sectors. These realities lead to the argument that

there is little political will to solve either poverty or water for all involved. In a market-based society, it may not be in the public interest to solve them.

Nevertheless, attempts have been made by government to solve these issues. Complex approaches have been adopted by the government including a theory of multiple disadvantages to provide solutions to poverty, and sustainable development principles to manage environmental water. The effectiveness of these approaches is debated in Chapters 4 and 5, with claims that they are ill defined, they add complexity to the issues, and that the political priorities identified will limit the likelihood of success for all affected parties. Nevertheless, by identifying the limitations of these approaches, one conclusion that is reached from this analysis into politicisation is that the case studies present insufficient evidence to suggest that a more politicised APS under reform measures has resulted in less impartial advice to solve wicked problems.

6.2 Responsiveness

The politicisation claims that have been accessed in this thesis also focus upon the increased responsiveness of the APS to ministers through public service reforms. Therefore, the analysis of the APS in Chapter 2 was able to ascertain that a public service responsive to the government's needs and policy aims is highly valued by ministers. Decisions made to reform the APS in the 1970s and beyond were generated to a certain extent from politically motivated ideas that the APS was too independent and not responsive to government aims. Yet the

public service reforms resulted in politicisation claims of an over-responsive public service. The integral tension between the value concepts of impartiality and responsiveness has resulted in the perception that major reforms to improve the responsiveness of the APS have depleted its impartiality.

Under the APS Values, impartiality and responsiveness are complementary. However, politicisation claims assert that greater responsiveness has reduced impartiality. Impartiality implies the presentation of an entire selection of options and evidence to enable politicians to understand an issue so they can decide on a policy approach. Over-responsiveness suggests that this selection of options has been limited by government ideology and aims. This perception results in the idea that the values of impartiality and responsiveness are unbalanced because more attention is paid to government approaches when researching policy, than evidence-based policy advice.

The case studies analysed in this thesis present little evidence to support these allegations. However, they do identify that structural reforms to change the aim and management of the APS to make it more responsive have affected its ability to solve the wicked problems addressed here. Goals of increased efficiency and effectiveness that relied on the adoption of private sector practices such as increased competition, contracts with the private and not for profit sector and increased contestability of advice have resulted in the fragmentation of knowledge that is essential for understanding poverty and water. The case studies confirm that government rhetoric demands that wicked

problems require a whole of governance approach across governments, departments and society.

Wicked problems have always formed a significant portion of government policymaking because they are intractable, complex issues that defy solutions. Public sector reforms to improve responsiveness were also proposed as a means of providing more efficient, effective and flexible solutions for these complex problems. Using this perspective, the use of market principles would solve the issues addressed here. An important result of these reforms for poverty and water however, is that there is even less consensus than previously about the nature of these problems, their definitions, and how they should be measured.

By using water as a case study, it has also been demonstrated that using market approaches to address a crisis is ineffective. Water in Australia is defined as an economic resource and a public good. The idea of a public good means that no one is excluded from its use. This idea is inconsistent with market approaches, which also conflict with sustainable development principles based on the concepts of equity and social justice. The analysis of water in this thesis identifies that it is politically challenging to change the historical trend of decisions through concerns about equity. Political priorities also identify that views of water from an environmental perspective are unable to compete with dominant scientific and economic views of water management; a reality endorsed by one of the interviewees.

Value concepts such as the public interest are incompatible with the commercial aims of the private sector, whose main aim is economic outputs not social outcomes, and the advocacy role of charities and church groups has been diminished under this model. The result is that contestable ideas and knowledge that have the potential to produce better policy when addressed by a whole of government approach are separated by competition therefore providing economic incentives to withhold knowledge.

When viewing the case studies through ideas of over-responsiveness, there is little evidence to suggest that this has affected the policy advice practices of the public service. The changes made to the public service to improve responsiveness however, have resulted in approaches that are more complex to poverty and water, but when examined within the historical notions of political priorities, these do not provide sufficient evidence to signify the increased politicisation of an already politicised public service.

6.3 Accountability

The final concept arising from politicisation claims is the lack of accountability demonstrated by the APS in the contemporary incidents described in Chapter 3. Like impartiality and responsiveness, the concept of the accountability of the APS has been codified in the Values and has been challenged in politicisation claims. Reforms made to the APS included increasing the number and responsibilities of ministerial advisers. The desire for more contestable advice to challenge the monopoly of the APS also gave rise to a lack of accountability.

Accountability issues in politicisation claims stem from the increase of contestable advice because of public service reforms. Partisan appointments, increases in the size of the ministerial office and greater community and interest group input into policymaking challenge the APS. The analysis of poverty in Chapter 4 identifies that the practice of outsourcing government service delivery has also generated accountability issues, because of the conflicting goals of government and disparate interest groups. Theoretically, the government is held accountable for its decisions and its policies, whereas business is primarily interested in profits not the social or public outcomes required of public policy. NGOs on the other hand, have different aims and priorities.

Under reform measures, using a market approach when addressing wicked problems serves the public interest because a free market ideology allows people to maximise their potential, with no structural barriers to success. Related to a market approach is the adoption of rational choice theory as the basis upon which the APS attempts behavioural change when making policy.

Blaming people for their own situation because of their behaviour is not a new approach. Non-government organisations such as think tanks endorse the idea that the reason why people are poor is their individual behaviour. This theory is highly contested; nevertheless, behavioural change using a rational choice perspective remains a significant aspect of policymaking. Expecting farmers to give water for the benefit of the environment is contradictory to market approaches and is an irrational choice. Behaviouralism here is a simple theory

placing the burden of people's situation on the individual while overlooking structural constraints and factors that influence behaviour. It fits very nicely however, with the neoliberalist aim of small government.

In the context of poverty and water, changing behaviour is more than expecting people to do the right thing because there are structural impacts on behaviour that need to be acknowledged and addressed by governments when formulating policy. Structural constraints for water include Australia's federalist structure in which water management is undertaken by the States. Structural constraints for poverty include conflicting government policies. By focusing on the individual and ignoring structural constraints, this means that government does not have to make policy as individual responsibility is paramount, therefore reducing government responsibility for the welfare of all citizens.

Wicked problems continue to occupy a significant part of the public service's role as a decision maker. Analyses of the case studies in this thesis suggest that the APS has always been politicised because it has to take into account the aims and goals of successive governments. Political priorities determine what groups will be the beneficiaries of public largesse, and which will not. Therefore, there is no compelling argument that a more politicised APS resulting in claims of over responsiveness, decreased impartiality and diminished accountability from public service reforms has affected poverty and water.

Chapter 7: Conclusion

This thesis concludes that a more politicised public service resulting from public sector reform has been less effective than hoped when attempting to solve wicked problems. The expectation that the APS is an ethical, values-driven institution providing impartial advice to ministers while acting in the public interest is enduring, and under a Westminster framework is fundamental to democracy. However, a more politicised public service resulting from public service reforms challenges this notion in practice.

The preceding chapters provide an analysis of two atypical case studies through a set of criteria drawn from claims of politicisation made while the Howard government held office. Structural reforms to the APS since the 1970s have generated these claims of politicisation, and its ability to solve wicked problems has been significantly affected by new public management ideas.

Therefore, the complex issues of poverty and water are analysed using new public management ideas framed by traditional expectations that the APS is apolitical, providing impartial advice to government. It ensures the public interest through due process or compliance with the law; and is an ethical institution bound by the informal convention of frank and fearless advice and the codified APS Values.

This thesis adds to the body of knowledge about the politicisation of public administration and the intractability of wicked problems, by identifying the

role of reforms in politicisation claims, and setting these against a comprehensive analysis of two wicked problems. Analysis identifies the enduring complexity of poverty and water, but contends that this is exacerbated by the reforms adopted under a new public management framework.

The aspiration for a more responsive public service that would achieve the government's policy objectives included the adoption of private sector principles in reforms to the structure of the APS. The arguments that these would provide solutions to poverty and water are challenged in this thesis, because of their failure to enable policy makers to take a whole of government approach necessary to address these wicked problems.

The case studies analysed in this thesis identify the increasing difficulties the APS faces through the adoption of private sector practices when attempting to find solutions to wicked problems. Fragmentation, competition, reliance on economic instruments such as the market and competitive organisations to deliver services has not been successful in solving the issues.

A whole of government approach is needed for wicked problems, which includes consultation with all interest groups and the ability of the public service to recognise the overall issue. Decisions to rely on ill-defined theories such as a theory of multiple disadvantages to address poverty, and an ecologically sustainable development approach to address environmental water have added complexity to these issues, making them much more difficult to address than previously.

The case study analyses demonstrate the basic intractability of wicked problems. However, by identifying historical decisions regarding political priorities that remain in contemporary policy approaches to wicked problems, a conclusion is reached that an impartial public service, responsive to ministers and accountable for its advice is ineffective when put into the context of the wicked problems used in this thesis. The continued judgments of the deserving and undeserving poor as well as the deserving and undeserving environment challenge the notion in practice of an apolitical public service providing impartial policy advice including all citizens and interests.

The reality that the APS has always operated in a political environment, taking into account the values and aims of successive governments challenges the claim that reforms have resulted in a politicised APS. From the case study analyses, the APS has always been politicised and there is no convincing evidence that it was substantially more politicised under the Howard government. However, evidence raised from the case studies suggests that the structural reforms to enable greater responsiveness have affected the ability of the APS to find solutions notwithstanding the lack of political will.

Using private sector approaches, the public interest is not upheld for all citizens when market principles are used for poverty and water. The argument that the efficiency and effectiveness of the public service has improved under NPM principles is inconclusive in the context of these case studies. However, the methods used to improve efficiency and effectiveness have added complexity to these wicked issues. The idea that a public service based on NPM principles

would result in the development of more successful approaches to wicked problems is contested in practice through the stability and endurance of political priorities.

One of the concepts used in reforms is the increased policy input from the community to break the monopoly of public service advice. Contestable advice means that there is a lot more people and organisations researching issues, each with their own perspectives, values and methodologies. Easier access to government statistics as well as advances in the analysis of data has resulted in a plethora of experts producing different results depending upon the selected measurement. The statistics presented by the ABS are problematic however, because their validity and reliability has been queried by the ABS itself. The results of contestable advice include added complexity, and conflict between researchers. Therefore, they have not enabled greater understanding of the wicked problems analysed here.

The reforms implemented to change the structure of the APS from a rules-based culture with collective bargaining through union action, to a culture consisting of individuals committed to individual agency goals was defended as improving responsiveness to ministers' demands. This approach relies on short-term incentives such as performance bonuses for senior members of the APS, which have the potential to undermine staff relationships by creating competition between individual public servants and between departments.

The practice of contract employment and performance bonuses conflicts with the expectation that the APS is apolitical and impartial across successive governments, and in the context of policy, it restricts the possibility of developing long-term approaches to wicked problems. These private sector practices limit departments and agencies being effective when working together because the subsequent performance competition fragments knowledge and information. This limits the notion of a whole of government approach being achievable to address wicked problems.

The identification of the role of the APS and the subsequent effect of politicisation claims on the provision of frank and fearless advice for wicked problems constitutes the aim of this thesis. By using poverty and water as case studies, this thesis argues that these issues were unaffected by increased politicisation because of the historical lack of will of politicians to solve them. The focus on particular groups as deserving or undeserving government assistance is not new, nor are the theories proposed to solve them. Therefore, it is concluded in this thesis that these issues will never be solved by government action. The new theories and approaches perhaps demonstrate attempts by government to solve them or to appear to solve them. However, when it is recognised that the undeserving groups involved in these issues play a significant role in capitalism, these issues will never be solved because the economic costs for the deserving groups would be too high.

Appendix 1: The Australian Public Service Values

The APS Values provide the real basis and integrating element of the Service, its professionalism, its integrity and its impartial and responsive service to the government of the day.

The Australian Public Service:

- is apolitical, performing its functions in an impartial and professional manner;
- is a public service in which employment decisions are based on merit;
- provides a workplace that is free from discrimination and recognises and utilises the diversity of the Australian community it serves;
- has the highest ethical standards;
- is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public;
- is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs;
- delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public;

- has leadership of the highest quality;
- establishes workplace relations that value communication, consultation, co-operation and input from employees on matters that affect their workplace;
- provides a fair, flexible, safe and rewarding workplace;
- focuses on achieving results and managing performance;
- promotes equity in employment;
- provides a reasonable opportunity to all eligible members of the community to apply for APS employment;
- is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government;
- Provides a fair system of review of decisions taken in respect of employees.
- Agency heads are bound by the Code of Conduct in the same way as APS employees and have an additional duty to promote the APS Values (Australian Public Service Commission 2004).

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