

## **Patterns of institutional development: political staff structures in Australia**

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### **Abstract:**

Political staff have become a topic of increasing international and comparative interest, focusing on the different ways of structuring partisan policy advice and the institutionalisation of partisan involvement in governing. While there is a general trend towards increasing numbers of political staff around members of the executive, the phenomenon has a different character when embedded in different political systems. Australia experienced a path of institutional development which diverged from the UK, NZ and Ireland in the 1980s. The 'puzzle' of why certain structures or institutions take shape in some systems and not others can be explored by analysing the different institutional trajectories for political staff. The paper contributes to comparative work by analysing the creation of the institution of political staff in Australia in 1984. It attempts to explain why certain institutional choices were made in Australia during this time by tracing historical developments. It also explores the consequences of those choices. The consequences lead to particular challenges and dynamics in political-bureaucratic relationships.

## **Patterns of institutional development: political staff structures in Australia**

Political staff have become a topic of increasing international and comparative interest, focusing on the different ways of structuring partisan policy advice and the institutionalisation of partisan involvement in governing. A body of research in Australia can now be compared with growing research on political staff arrangements in a number of different countries, chiefly European nations (Schreuers et al 2010; Brans et al 2006; Pelgrims and Brans 2006; Di Mascio and Natalini 2013; Hustedt and Houlberg Salomonsen 2014; Eichbaum and Shaw 2010; OECD 2007). While there is a general trend towards increasing numbers of political staff around members of the executive, the phenomenon has a different character when embedded in different political systems, influenced by distinct political and administrative traditions. For example the very large number of political staff in countries like France or Greece (which share a *ministerial cabinets* tradition) is different to the small number of political staff found in Germany or the Netherlands, and their roles are different.

It is interesting that within the Westminster family of countries, or Anglophone nations (Halligan 2015), there is significant variation. The UK, NZ and Ireland share a particular form of political staff arrangements, which Australia and Canada do not. Australia experienced a path of institutional development which diverged from the UK, NZ and Ireland in the 1980s. While sharing the core Westminster values of an impartial civil service, which must be steered and controlled by the political executive of ministers, Australia has created institutional arrangements for its political staff which differ from what can be termed the 'UK model'. Yet so far there has been little institutional comparison within the Westminster group.

There is a significant literature on comparative administrative traditions and administrative reform trajectories, at times applying a historical institutionalism lens to civil service reforms (eg Bezes and Lodge 2015; van der Meer et al 2015; Halligan 2015). There is an opportunity to apply this type of broad institutional analysis to the subject of political staff. The 'puzzle' of why certain structures or institutions take shape in some systems and not others can be explored by analysing the different institutional trajectories for political staff; it is likely to produce a rich seam of comparative material. This paper contributes to this comparative work by analysing the birth of the institution of political staff in Australia in 1984. It attempts to explain why certain institutional choices were made in Australia during the development of the political staff system. It also explores the consequences of those choices. The consequences lead to particular challenges and dynamics in political-bureaucratic relationships.

## The ministerial office as an institution

Ministerial offices in the UK, Ireland and NZ have traditionally shared core features which, for convenience, this paper will term the 'UK model'. In these arrangements, ministerial offices are relatively small, staffed by senior civil servants seconded from the department, and headed by a senior civil servant. Within the office there are also a small number of political staff members employed as temporary public servants, often called 'special advisers', usually one or two per office (Eichbaum and Shaw 2010). (Prime Ministers' offices of course are different in being much larger and can have many partisan staff in special units). In this model ministerial offices can be seen as outgrowths of the department, or more broadly, as part of the institution of the civil service. The fact that ministers' offices are a part of the institution of the department is clear in such arrangements because the offices are usually located physically inside departments. In recent years the numbers of political staff in ministers' offices have grown, but they still represent a small number in comparison to civil servants.

Australia shared this ministerial office arrangement up to 1984. Prior to 1984 ministers' offices were extensions of the department. For many years they comprised seconded departmental officers and at times also a journalist or another explicitly political adviser. From 1972 there were an increasing number of political staff, but they still worked within a ministerial office which was an extension of the department and mainly staffed by public servants. (Prime Minister's Offices again were the exception, with larger numbers of political staff in the 1970s).

In 1984 the Labor government scrapped the old institution of the ministerial office and replaced it with something new. The *Members of Parliament (Staff) Act 1984 (MOPS Act)* created ministers' offices which were staffed entirely by partisans, who were not employed in public service positions but personally by the minister. Public servants who wished to work in these positions had to temporarily relinquish their public service status, taking leave without pay, rendering them 'temporary partisans'. This can be contrasted to the previous arrangements in which political staff were deemed 'temporary public servants'. Since then the number of ministerial staff has grown significantly; in 2015 there are 421 political staff working for Australian federal ministers, with between 7 and 13 political staff in each minister's office.<sup>1</sup>

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<sup>1</sup> In February 2015 there were 302 advisers, 31 media advisers and 73 administrative staff, plus 15 'pool' positions, all of whom are deemed to be partisans. In many offices there are also one or two public servants called Departmental Liaison Officers who are seconded to liaise and supervise the movement of documents between the department and the ministers' office. However they are not considered to be ministerial staff.

Thus a new institution was born, departing from the 'UK model': the ministerial office was no longer part of the institution of the public service, but something separate with a completely different logic and set of norms, operating alongside it. This represented a very different way of institutionalising partisan involvement in governing. The paper asks: What explains Australia's distinctive institutional choices?

Administrative reform must be seen in its political and historical context. To understand the events of 1984 we must focus on the institution of the public service and its changing relationship with Australian federal ministers. The settled arrangements between ministers and public servants in the post war period gave way to frustration for ministers in the 1960s. Officials were highly influential in the 1950s, when 'the combination of comfortable ministers and well-established long serving senior officials gave great power to the latter' (Wanna and Weller 2003:86). However in the 1960s there was friction between the Menzies, Gorton and McMahon governments and Treasury, which was 'powerful and imperial' (Thompson 1979: 77, n 24). Two distinctive factors in Australia at this time were first, the comparatively weak control Australian ministers had over their departments in the 1960s and 1970s; and second, the depth of the crisis and disjuncture that occurred between ministers and the public service in the 1970s and early 1980s.

### **Comparatively weak political control: Australia and the UK compared**

Visiting Australia in the 1960s and 1970s British political scientist David Butler noted that 'by and large' Australian ministers of the day 'exercised less control over their departments than their opposite numbers in Westminster' (1973:27). Despite evidence of frustration by British ministers over a lack of control of the civil service in the 1960s and 1970s (eg Crossman 1976, Castle 1984) in *The Canberra Model* (1973) Butler suggests the situation was worse in Australia.

One problem related to ministers. For several reasons, Australian ministers had less time to focus on policy making than British ministers. Butler reported that Australian ministers spent far more time preparing for question time than their counterparts in the UK, who knew in advance what questions would be asked and didn't have to attend every session. Cabinet also seemed to be less efficient in Australia, and thus took up more of a minister's time. He also argued Australia's three year terms meant that ministers had little chance to engage in policy making, as they were continuously in party political mode.

The lack of political control he detected was also related to the behaviour of the public service. Butler thought that because the quality of Australian ministers was mixed (due to the smaller pool of talent being drawn from and the difficulty in removing them), departments had become good at propping up weak ministers – carefully sifting the

papers a minister was allowed to see, limiting the people he could speak to, oversimplifying briefs and decision choices. However these procedures had become institutionalised, and in the 1960s and 1970s were being applied to strong and talented ministers as well. According to Butler, this occurred to such an extent that it was hard for even a strong minister to establish control of a department. Comparing the paperwork with that in the UK, he observed that in Australia conflicting arguments were often filtered out of briefs to ministers, and briefs usually ended with a clear recommendation, not a choice of alternatives. This disempowered ministers and limited their ability to engage in the policy process.

Butler also noted the very dominant position of the Permanent Heads of departments in Australia. Both British and Australian departments were shaped like pyramids, but the top of the British pyramids were flatter, which meant that there were more heavy weight senior officials at the deputy secretary level in the UK, who could have a diversity of views and were prepared to argue about policy. British ministers had contact with them and were therefore more aware of the policy choices possible in the department, because they were exposed to a wider range of senior advisers in the department. Butler suggested Australian Permanent Heads jealously guarded their role as adviser to the minister and so ministers were often not exposed to a variety of departmental views.

The enormous power of Australian Permanent Heads was also a factor when it came to staffing the minister's office with seconded public servants. Butler notes that in the UK at the time these people were quite senior, often high flyers in their late 30s, with ten years' experience behind them and a stellar future ahead in the public service. Australian ministers had more lightweight staff, ranked much lower, often with far less experience. He suggests Australian Permanent Heads preferred this, as they did not want competition for the role of advising the minister. But this weaker office disempowered ministers.

Butler (1973) paints a picture of Australian ministers in the 1960s and 1970s as having less contact with their departments and a weaker private office; they faced departments with strong cultures of keeping ministers out of their business, headed by very dominant Permanent Heads. A former department head and key figure in the Australian Labor party, Peter Wilenksi, agreed with this analysis, writing in 1979:

However weak the traditions of ministerial control and responsibility may be in Whitehall ... they are worse in Canberra where ministers rarely gain the same in-depth appreciation of either the workings of their departments or the issues being dealt with by them (1979:36).

It is perhaps not surprising that when Labor came to power in 1972, Prime Minister Whitlam justified bringing political staff into ministers' offices by citing a lack of ministerial control of departments and over policy (Whitlam 1974). It is also important that the Labor party was coming to government after 23 years of continuous Liberal-Country party government (a conservative party grouping known as 'The Coalition' in

Australia). Labor brought a large and detailed program of policy reforms to government, which it expected to action rapidly, many of which were seen as radical. Such a long period out of government meant no Labor minister had ever worked in government before, and there had been little engagement between the Labor party and the public service for many years. Through its long period in opposition Labor had developed a cadre of people who helped draft the policy program; it seemed natural that these people would come into government and continue working on the policy (Hocking 2008). In 1972 Whitlam made it clear that policy deliberation in government would involve, as it had in Opposition, the contribution of expert advice drawn from beyond the public service (Hocking 2008:391).

For the first time many political staff were appointed into ministers' offices, as temporary public servants. This provoked a strong negative public reaction; it was hoped that it would be a temporary development until the public service became used to working with the new government. The institution of the public service thus faced pressure from two sources at this time: a desire for greater political control over policy and over departments; and a desire to bring partisans into government and policy making.

### **Crisis, disloyalty and loss of faith in the public service: 1970s - early 1980s**

The Whitlam Labor government lasted three short tumultuous years. In one of the most dramatic events in Australian political history, it was sacked by the Governor General in 1975. Many in the Labor party believed that Treasury had played a key role in the events that led to the sacking.

The experience of the Whitlam Labor government (1972-75) in its relationship with departments provoked a serious crisis of confidence in the public service. Yet when Labor first came to power Whitlam was optimistic about the willingness of the public service to deliver on Labor's program. He was a committed reformer but 'procedurally proper'; he kept the four most powerful heads of departments in place against the strong urgings of his party and his office, believing in the innate professionalism of senior public servants based on his experience of his father's propriety and impartiality (Hocking 2012: 96, 8, 129). In 1973 Whitlam stated 'the loyalty and impartiality of the Australian public service in serving the government of the day irrespective of political complexion have been demonstrated beyond any doubt' (in Thompson 1979: 74).

However relations between the government and Treasury (under the powerful permanent head Sir Frederick Wheeler) quickly moved from mutual suspicion to outright hostility. In 1974, there were continuing damaging leaks believed to originate in Treasury, whose opposition to the government's policies was strident and open. The relationship was so destructive that the government believed Treasury was not only

undermining and obstructing the government's plans but colluding with the Opposition (Hocking 2012: 164, 204, 207; Menadue 1999: 123-146). According to some key players, after the rejection of its budget advice in 1974, Treasury effectively went 'on strike', not providing the usual briefings to journalists, avoiding media engagements and not doing the usual selling of the budget (Freudenberg 1977: 307, Hocking 2012: 168 Menadue 1999). It was then that certain Treasury officials, known by the code name of "Mr Williams", began clandestine contact with some members of the Opposition.

Ministers not only felt that Treasury was dogmatic and defiant, it that it was disloyal and unable to be trusted (Menadue 1999:119). This led to the Government taking its economic advice from other quarters, not consulting Treasury and at times keeping Treasury out of discussions as it felt Treasury could not be trusted not to leak to the press (Menadue 1999). The suspicion of Treasury and its loss of credibility laid the basis for the mistakes that occurred on loan raising when Treasury advice was ignored. The pretext for the government's sacking in 1975 was its unorthodox attempts to raise loans internationally, funds needed to fund its ambitious expansionary program. Treasury had administrative responsibility for loan raising, but because ministers did not trust Treasury, 'Money had to be found that Treasury couldn't get its hands on' (Menadue 1999:140). Treasury's warnings about the risks of the Government's plans were ignored. Head of Department of Prime Minister and Cabinet John Menadue blamed Treasury for the Government's woes:

The Labor party was paying a heavy price for its estrangement from Treasury. The Government's lack of confidence in Treasury was a reason why it went on this unorthodox loan raising escapade. It was Treasury that now returned the favour in spades by doing all it could to discredit the Government. The information pouring out of Treasury was extraordinarily damaging to the government (1999:145).

In a 1979 speech, after Labor had lost government, Whitlam said that 'the continued attempts by Treasury to subvert government policy were evident in all areas' (in Hocking 2012: 207). Labor perceived that Treasury was 'a hostile force' whose treachery contributed to the destruction of the government (Freudenberg 1977:281, 349). They saw some senior officials as not only denying the legitimacy of the Labor government, but 'prepared to use their position and their knowledge to damage the elected government' (Freudenberg 1977: 307-8). But Labor was unable to remove Treasury Head Wheeler, despite the fact relations between him and the government had completely broken down, and worse, the government claimed he should be charged with improper conduct under the Public Service Act for some of his actions. Wheeler was offered the post of Governor of the Reserve Bank but 'he declined the offer, opposed all moves to replace him and retained his position' (Weller and Cutt 1976:26). He remained in his position for the rest of the Labor period.

The sacking of the Labor government, and the perceived treachery of Treasury in the affair, left a psychic 'bruise' on the Labor party. This may be an understatement: it was a trauma which had a powerful influence on its actions when it returned to government in 1983.

The problems with Treasury were not confined to the Labor government. In December 1974 former PMs Gorton (1968-1971) and McMahon (1971-72), along with PM Whitlam (1972-1975), all appeared before the Royal Commission on Australian Government Administration criticising Treasury (Weller and Cutt 1976: 25). The problem was not confined to any particular government because it was felt that Treasury were bent on securing the adoption of their policies regardless of the complexion of the government of the day (Weller and Cutt 1976:26).

The Coalition government (1975-1983) which was elected following the sacking, headed by Malcolm Fraser, also struggled with the public service and, in particular, Treasury. Thompson reports that the Fraser government did not receive the cooperation it desired from Treasury, commenting that 'as with the Whitlam government, so also with the Fraser government: the greatest of the bureaucratic empires did not wish to yield up its powers' (1979: 83). Treasury clashed with the government, particularly its head John Stone who was an outspoken critic of the government. Treasury was seen as 'serving the Fraser government as badly as it had the Whitlam government' (Thompson 1979:83). PM Fraser's loss of faith in the Treasury resulted in a decision to split Treasury and create a new Department of Finance and also to boost the resources of Department of Prime Minister and Cabinet (PM&C).

In the Fraser period there were considerable tensions between the government and the bureaucracy generally, which the government saw as too large and not sufficiently responsive. Fraser's attempt to assert control over the bureaucracy led to a relationship of mistrust and hostility. Reminiscent of the views of the Whitlam ministers, Thompson commented that 'mutual suspicion fed on itself: some ministers believed ... that elements in the public service were deliberately attempting to sabotage the government' (1989: 216).

The Fraser government was also stung by some high profile administrative failures, including in meat substitution, health schemes and tax avoidance schemes. These administrative scandals undermined the credibility of the government and, some believed, contributed to its electoral defeat (Thompson 1989:217). This led the Fraser government to launch its own review into the public service in 1982, the *Review of Commonwealth Administration*. It was tasked to examine 'the underlying causes of major administrative deficiencies of the kind that have occurred in recent years' (RCA 1983).



In 1983, when Labor was newly re-elected and considering what reforms it would make, the Liberal party was undertaking a post mortem of its time in government, which it published as *Facing the Facts*, also known as the Valder Report (1983). In fairly strong language the Report states the power of the public service had grown 'beyond its entitlement'. It says that 'the task of any incoming government in giving direction to the modern public service, and remaining throughout its term of office in effective political control of the public service, has placed almost impossible burdens on ministers' (1983:107). It describes ministers as overburdened and under-resourced, unable to look broadly at government policy and distracted onto public service, rather than party, agendas. It is critical of the performance of the public service, citing 'inertia', 'unsatisfactory analysis of issues' and inadequate implementation (1983:112).

Clearly by 1983 in Australia both major political parties were expressing frustration with the performance of the public service and with ministers' inability to control and direct public policy. Some bruising encounters had led to a bipartisan loss of faith in the public service and a crisis of confidence.

Both parties also questioned the 'UK model' of the ministerial office at this time. The Valder report argues that ministers must have substantially increased political staff, and that senior staff in ministers' offices should be political, not apolitical. (In this way, they explicitly reject the UK system of senior staff from the civil service heading ministers' offices.)

At the same time Labor had reviewed its 'experiment' with bringing political staff into ministers' offices in the Whitlam period and deemed it only a modest success. Key Labor thinker and former Whitlam political adviser Peter Wilenski (1979) wrote that political staff had been easily co-opted or circumvented by the public service; and until the public service itself was reformed, ministers could not gain political control. Reform would need 'more than the grafting of a few new structures onto a long standing set of procedures and processes. Full ministerial control requires a much more considerable change in the system itself (Wilenski 1979:43.) Wilenski had reflected extensively on all the ways that administrative reform could be and had been resisted. One of the ways he advocated for entrenching reform was through the creation of new institutions (1986:180-181).

Labor's bruising history with the public service led it to seek more radical fixes. Wilenski questioned the core Westminster value of a neutral civil service, which he saw as derived from another era and another social system - 19<sup>th</sup> century Britain. He looked outside Westminster to developments in the US, recommending the establishment of political cadres within the Australian public service (1979, 1980).

#### **Creation of a new ministerial office model 1983-4**

Labor in Opposition had carefully planned its return to government, determined to avoid the mistakes of the Whitlam era, which lay like a shadow over Labor in the 1980s. The Whitlam government was seen as 'a negative model' or a 'negative lesson' in 1983 (Weller 1983:304). In 1979 a task force of caucus was established to consider future governing arrangements, which interviewed several former ministers of the Whitlam government about their experiences. A detailed campaign document set out Labor's public service reform plans (*Labor and Quality Government* 1983).

Labor went to the 1983 election with a plan to radically change the institution of the public service – its norms and character. It intended to politicise part of the senior ranks of the public service – creating a Special Division consisting of departmental head positions and up to 5% of positions in the SES – with appointments to be made by cabinet on the recommendations of ministers (Nethercote 1984:194). It was expected that initially at least the Special Division would comprise public servants who were sympathetic to the government's policies (Wilenski 1980). The plan for partisan appointments was one part of a broad range of reforms to the institution of the public service that Labor proposed.

However the plans to politicise the public service did not eventuate: the new ministerial office created in 1984 was an historical compromise. This was the outcome of a struggle between ministers and senior public servants.

On forming government, a small task force was appointed to deal with the 'special division' proposal but made little progress. The taskforce comprised Peter Wilenski, Ros Kelly MP and John Monaghan, a commissioner of the Public Service Board (Nethercote 1984:22). While Wilenski says it was hampered by a lack of resources (1986:191), others suggest there was strong resistance by Monaghan, preventing the task force from moving beyond a draft discussion document (Nethercote 1984:22). In their internal advices key department heads were strident in their opposition; the former Head of Treasury described his response to Labor's proposed reforms as 'savage' (Stone 2013). In mid 1983 the government began to press the issue, galvanised by the fear that if legislation was not passed by June 1984, the reforms would be likely to fail (Wilenski 1986:192).<sup>2</sup>

The 'Special Division' plan was effectively resisted, and a compromise proposal appeared in the policy paper *Reforming the Australian Public Service* (1983): a small number of 'ministerial consultants' could be temporarily employed in departments to work on special projects 'with the agreement and under the supervision of the Department Head'.

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<sup>2</sup> Wilenski notes this was largely at the urging of those who had been involved in the administrative problems of the Whitlam government (1986:191-2).

Institutionally, however, it resulted in quite a different outcome from what was originally planned. The compromise plan to have partisan ministerial consultants working inside departments never eventuated; except for a few, they ended up being located in ministers' offices. Thus partisans were never formally planted within the public service. Instead the 1984 *MOPS Act* was passed, creating ministers' offices as an entirely new partisan institution, separate from but alongside the public service, and they were greatly expanded.

The public service had effectively resisted the incursion of political staff into departments and the threat to its core values as an institution. However a new adjacent institution had been created, with an entirely different set of values, and over time it had a strong impact on the public service as an institution.

To summarise, through the 1960s and 70s Australian ministers had weaker political control over the public service than elsewhere, and faced departments with strong cultures of keeping ministers out of their business, led by dominant Permanent Heads. When a reformist government came to power in 1972 tensions grew, and governments began to doubt the performance and loyalty of the public service, in particular the Treasury, which was seen as dogmatic, defiant and disloyal. The Labor Government's estrangement from Treasury was a key factor in its dramatic downfall. By the early 1980s both major parties had lost faith in the public service, desired greater political control and rejected the 'UK model' of the ministerial office. In 1983 Labor planned to politicise parts of the public service, destroying its core value as a neutral institution. This was effectively resisted by the public service; the compromise was the creation of a separate cadre of political staff. This transformed the ministerial office into a partisan institution and in this way Australia diverged from the institutional path taken by UK, NZ and Ireland.

Historical institutionalism envisages long periods of institutional continuity, where institutions are reproduced, which are interrupted at critical junctures by radical change, where new institutional structures are created. This tends to occur when people lose faith in current institutional arrangements, which are seen as not adequate to deal with current problems, or from sudden performance failure. The birth of new institutions occurs at critical junctures, periods of contingency during which the usual constraints on action are lifted, which open up opportunities for agents to alter the trajectory of institutional development (Mahoney and Thelen 2010). At critical junctures a particular institutional arrangement is adopted from among several alternatives. The juncture is 'critical' because once an option is chosen it becomes progressively more difficult to return to the point where several alternatives were possible (Mahoney 2000:513).

Historical institutionalism alerts us to several important aspects of this story. One is the crisis of faith which lead to a questioning of the public service; another is the power of the institution of the public service to resist transformational change. Path dependency

is also evident: the change which occurred maintained the tradition of an impartial public service which had existed since Federation. However over time the public service as an institution did experience considerable change, not least because of displacement by the new institution which had been created to protect it – the ministerial office. Many would argue this has resulted in a diminishing of the public service’s core values and norms.

### **Consequences of Australia’s institutional design**

There have been several important consequences of creating the ministerial office as a separate institution to the public service.

The public service in Australia is now no longer formally present in the Australian ministerial office and has lost its close proximity to ministers.<sup>3</sup> The space around ministers is a partisan space, as is the space around cabinet. In the UK, NZ and Ireland, these spaces are still populated by senior public servants, who work alongside political staff and retain important roles advising ministers and networking with other senior public servants around the operation of cabinet. The spatial exclusion of senior public servants is exacerbated in Australia by the fact that ministers do not have their offices physically in their departments as they do in the UK and elsewhere. Ministers and ministerial staff inhabit a single space in Parliament House in adjoining offices, and this is a partisan space. Departments are located some distance away, and officials must travel by car to the minister’s office to meet with the minister. Ministers rarely visit their departments. A senior minister remarked that this was deliberate as it reinforced the power relationship: 'I virtually never went over to the department, they all had to come to my office. Just to re-establish and reinforce the view that we run these things. We're elected to it and we run it.' (Maley 2002).

The exclusion of departments from ministers’ offices means there are three separate parties to the political-bureaucratic relationship: the minister, the minister’s office and the department. Much of the communication between ministers and departments occurs through political staff and the potential for misunderstanding and distancing or blocking the department is concerning. This is evident in the fact it is specified in the code of conduct for political staff that they must not impede communication between the department and the minister (Commonwealth of Australia 2013).

A second consequence of Australia’s institutional design is that interactions between senior public servants and political staff occur across institutional boundaries, rather than occurring within a single institution, the ministers’ office. This can lead to separation

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<sup>3</sup> While as noted earlier there may be several Departmental Liaison Officers in ministerial offices, their roles are liaison and administration rather than policy advising.

between different forms of policy advice in policy making – partisan and non partisan – and it makes it possible for policy advising to occur without significant involvement of departments. Rather than the roles of political staff and public servants in policymaking being complementary, based on well understood distinctions, they are overlapping and competitive, often marked by tension, which must be managed (Maley 2002). This tension is a contest between institutions, rather than tension between individuals within an institution, the ministers’ office. Some ministers see it as beneficial to have an essentially oppositional relationship between their office and the department, describing it as ‘creative tension’ (Maley 2002); this appears to be an element of design.

A third consequence of establishing the ministerial office as a separate institution is the enormous growth in its role. Under the *MOPS Act* the Australian ministerial office was established with very few formal rules and procedures. This meant that over time, in the Labor period in particular (1983-1996), the roles and practices of political staff grew and developed informally. Further, because this was a private rather than a public space (being no longer part of the institution of the public service), this occurred in a hidden way. In the UK, Ireland and NZ the activities and behaviour of political staff have been under scrutiny because they work alongside non-partisan public servants in ministerial offices. The presence and roles of these non-partisan staff have served to provide boundaries around the work of the political staff. In Australia, there have been few boundaries around the expanding scope of the role of political staff; the institution of the ministerial office has encountered few constraints in its external environment. When Labor introduced a code of conduct for ministerial staff in 2008 it was the first time that formal rules were established to create boundaries and norms for the work of political staff (24 years after their emergence in 1984). However, because they operate within a private partisan space, policing the behaviour of political staff using the code also occurs within a private accountability arena – that of the Government Staffing Committee. This is a group of ministers and senior political staff; their activities are not made public. If public servants were still formally present in ministers’ offices there would be likely to be more public scrutiny of the work of political staff, as the office would be a public or hybrid public/private arena.

One of the significant areas of growth in the role of political staff in Australia has been in executive coordination. A trend common in many countries is a strengthening of capacity at the centre of government, especially around cabinet, driven by a need for better horizontal coordination within the executive and for supplementary decision making arenas (Dahlstrom et al 2011, Kolltveit 2015). In Australia this work has become an important part of the role of political staff, managed by a greatly expanded Prime Minister’s Office (Maley 2011). Ministers’ offices now provide supplementary decision making arenas and critical support to the operation of the institution of cabinet. In 1996 the Coalition government created the role of Secretary to Cabinet as a political staff

position, and a unit responsible for strategic policy advice to cabinet within the PM's office, the Cabinet Policy Unit, staffed by partisans. Political advisers, acting as the agents of ministers, now play a key role in resolving executive conflict and coordinating government decision making. The physical location of all political staff in the wing of one building – Parliament House – has been a key factor in the development of this role. The fact that departments are not present in ministers' offices has politicised this coordination activity, which has been drawn away from the bureaucracy and occurs at one remove from departments.

These developments have affected the norms and character of the public service. It can be argued that the public service changed because of the creation of a new rival institution, one with a very different operating logic, few formal norms and few constraints on its development. The public service has experienced cultural and behavioural change through its interaction with political staff. Over time, the public service lost considerable autonomy, developed a more responsive culture, and suffered a shift in the locus of policy authority to ministers' offices, both individually and as a group of offices operating in the cabinet system. This can be seen as a process of 'displacement'. Historical institutionalists describe displacement as a form of gradual 'but nevertheless transformative' institutional change caused by the activation of alternative institutional forms (Streeck and Thelen 2005: 19). Change occurs not through explicit change to an existing institution, 'but rather through shifts in the relative salience of different institutional arrangements within a field or system' (2005:22).

Since the 1990s Australian the public service has struggled to protect its neutrality and professionalism amid claims of politicisation and over-responsiveness. It must compete with political staff for the attention and confidence of ministers. It risks disconnection from ministers and policy making if it cannot work effectively with ministerial offices. It is also important to note that while public servants are not formally present in ministers' offices, they may be present informally, on leave from the public service while working as political staff (as 'temporary partisans'); their subsequent movement back into the public service creates further challenges for the public service to maintain its neutrality.

A broad ranging review of the Australian public service in 2010 suggested it was overly reactive and had lost capacity for long term strategic policy advising (AGRAGA 2010). In response, the public service reformulated and reasserted its core values and tasked department heads with 'stewardship' and 'custodianship' of the public service as an institution. Compared to the UK, where special advisers number around 100, the Australian public service faces a significant institutional challenge from the 400 strong cadre of political staff located between it and ministers. In the UK most of the people ministers interact with in developing policy are still civil servants and there is a reassertion of the advising role of the civil service (Hustedt and Houlberg Salomonsen

2014). This is the not case in Australia and structural arrangements for political staff impede such developments.

## **Conclusion**

This paper traced the historical developments that lead to the creation of the Australian ministerial office in 1984 and considered the consequences of this institutional design. In the 1970s and 1980s there was a crisis of confidence in the institution of the public service, prompted by a history of comparatively weak ministerial control and some particularly bruising conflicts between Treasury and ministers. This created a strong bipartisan desire for change, possibly greater than in other comparable nations at this time. Rather than the more radical institutional change which was proposed (the placement of partisans within the public service), the result of the struggle over reform was a new institution for incorporating partisans into government, established in 1984. The institutional design created through this historical compromise has had some negative effects, mainly because of the removal of neutral public servants from ministers' offices. Despite effective resistance by the public service to transformational change, the compromise has nevertheless resulted in institutional change, and risk, to the public service. Its greatest loss was its exclusion from the close orbit of ministers.

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