

“THERE’S A TELEGRAM FOR YOU...”

**VALEDICTORY ADDRESS BY KEN MATTHEWS AO
ON HIS RETIREMENT FROM THE AUSTRALIAN PUBLIC SERVICE**

6 OCTOBER 2010

1. In January 1975 Margaret and I stepped off a plane after backpacking around Europe in the months since we finished university the year before. We were handed two telegrams (they still had telegrams then). The first offered Margaret a job as a teacher in Hoxton Park in the western suburbs of Sydney. The second offered me a job with the Department of Defence in the Australian Public Service in Canberra.

2. Frankly, I couldn’t remember having applied for a job with the Department of Defence. Indeed I had spent the last few years at university ‘railing against the machine’ and protesting against what Rolling Stone magazine called the Military-Industrial Complex. To this day I suspect there had been a mix-up in the Defence recruitment mail room. My fit with Defence was, on the face of it, so poor that one of my startled friends asked which side I would be fighting for!

3. Margaret and I discussed our telegrams for all of fifteen minutes before we decided to give Canberra and the Australian Public Service a go – at least for a while. There was about that much science to it. The rest is history.

4. So we went to Canberra and I went – sceptically - to work at Defence. But I was quickly struck, and swept up, by an ethos I just hadn’t been expecting but which I found enormously stimulating. Defence turned out to be an organisation with a set of public service values and ethics handed down through generations of fine public servants. Here was an organisation whose vision was truly national. Here was an organisation that had to make hard calls, an organisation that managed billions of dollars, millions of assets, and tens of thousands of people. Here were issues that were in a very real sense, about the destiny of our nation. Here for the first time in my life I encountered an organisation which insisted on intellectual, analytical and systematic rigour. And here was an organisation which was actively searching

out the best and the brightest new young staff. They also took me.

5. What followed for the next 36 years was the privilege of being involved in:

- Five portfolios – Defence; industry, science and technology; primary industries, including agriculture; Prime Minister’s (for indigenous issues and some years later, back again for water); transport and regional issues; and environment (for water again)
- I have served the Governments of six, now seven Prime Ministers – of both political parties and have been lucky enough to form powerful working relationships, and sometimes firm friendships, with Ministers on both sides without any of them ever knowing my own political leanings. Indeed, there wouldn’t be more than a handful of people even here today who know my party political views ... and that’s as it should be. If you’ll excuse a little bit of self-indulgence, I remember the wife of one minister saying to me once that “...X has told me that he knows intimately the politics of everyone around him except yours Ken, but he says he seems to trust you more than any of them ...” (The lesson seems to be never tell anyone how you vote. It will destroy your relationship.)
- I have been fortunate enough to serve, at Secretary or statutory Chair level, six portfolio Ministers and countless junior ministers and Parliamentary Secretaries. Plus of course, many, many more at levels before I became CEO.
- And I have been privileged to be involved in some of the great public policy issues of Australia’s last 36 years – tariff reform, reform of the car industry, the collapse of the former Soviet Union, development from a zero base of the biotechnology industry, mining impacts on the environment including mining at Coronation Hill, ecologically sustainable development, September 11 and counter-terrorism, native title and indigenous disadvantage, how best to deliver our multi-billion dollar infrastructure program, the second Sydney airport, reform of our agricultural industries, science and technology policy, national energy policy, natural disasters

preparedness, water policy, regional development and regional disadvantage, and trade policy – among many others.

6. Claiming to have been involved in trade policy is a slight exaggeration. I include it only because once when I was in China I was more or less pushed into a room by the Australian Embassy to try informally on a key Chinese Vice Minister for Trade what was then a breathtakingly bold idea of a Chinese bilateral trade agreement with Australia. I suspect a visiting Transport Secretary was seen as sufficiently senior - but at the same time sufficiently remote from DFAT - to fly the kite without causing diplomatic embarrassment if the Chinese turned us down. To our delight the Vice Minister showed immediate interest, and although the wheels have since turned slowly, this trillion dollar idea is coming to pass and all Australians will one day benefit in a big way.

7. But my main point about this long list of terrifically interesting public policy issues is that I have indeed been fortunate, probably privileged. I have sometimes said to new recruits to the Australian Public Service that had they joined instead say, a medium sized manufacturing firm in Sydney, the most strategic decision they could hope to take - if they worked their way right up the greasy pole over many years - would be to decide whether to establish the new factory in Wollongong or Geelong. But by joining the APS new recruits are almost immediately exposed to public policy choices which are worth billions and which influence the daily lives of millions of Australians. First year recruits will often see “their” issues on the evening television news. Public policy and the APS can be big picture, stimulating stuff. Stuff that matters. In that sense we are all in this room, fortunate.

8. I have been fortunate enough to lead and manage as CEO, organisations as large as 3000 and as intimate as 50. As I have moved through them, I have had the opportunity to experience the full spectrum of public administration work: intelligence and research, policy development, administration, regulation, program management, people management, organisational leadership, intergovernmental negotiations, assessment, audit and evaluation, and even a modest public advocacy role in the work the National Water

Commission does to press the case for water reform.

9. But rich though that diet was, partly because of my background as a boy from the bush I never lost my personal interest in policy issues as they impact on rural, regional and remote Australia and rural, regional and remote Australians. Some of you know I grew up on a farm. I still know a Jersey cow from a Guernsey. I can still ride a horse and could probably milk a cow if paid enough... I attended a regional high school. I learnt to debate in a rural youth club. I have seen country towns rise and fall, commodity cycles turn and turn again, and droughts come and go. When I married Margaret (wait for this – we were high school sweethearts!) – I inherited a lifetime of free advice from her extended family about what needs to be done by the Government for regional Australia. And with the benefit of that advice stiffening my back after many a long weekend, I have been despatched back to Canberra with renewed insight and resolve.

10. So having worked on issues in agriculture, mining, environment, natural resources management, water, regional services, and regional infrastructure, regional Australia has been something of a unifying theme for my career. In fact as I stand here tonight and the drought is breaking, commodity prices and the terms of trade are at historic highs, both major parties are committed to dealing with our shameful indigenous disadvantage (usually regional and remote indigenous disadvantage), and we have a new government brimming with commitment to regional Australians, it's clear that I can with a clear conscience pack up and retire. "Job done. I can go now..."

11. I wish that were really so. A serious message I wanted to leave with you today is that regional Australia is a much bigger policy and delivery challenge for the Australian Public Service than most public servants so far realise. We joke that Sydney differs from Melbourne. But compared to metropolitan Australia, our regions have so much more variation and usually, so much less resilience. When a job is lost, or an industry folds in a regional community the options are much more limited than in the cities - and the human and community consequences greater.

12. The challenge for public administrators is therefore more than simply to introduce one parallel 'regional' policy to complement our traditional metropolitan-oriented policies. Many of our policies and programs will have to be comprehensively regionalised and localised - to multiple regions and localities. How well equipped is the APS to understand multiple regional perspectives when we have grown up with a much more homogeneous metropolitan world view? How will the public service gain an accurate understanding of the needs, aspirations and opportunities of the many different regions of Australia? In my view it would be weak to rely only on parliamentarians and ministers to tell us what we should know. They may have their ears to the ground, but we will need our own channels too, into, and out of, Australia's regions. We don't have them today.

13. I ask myself also whether we will be able to adjust our usual analytical tools to accommodate regional policy requirements. I ask that because one of the policy achievements of which I am proudest is the progress we made during my time in the Department of Transport when we introduced a national transport infrastructure planning process – then known as Auslink but since carried forward under other labels. I am proud of it because it introduced some well overdue simple principles to infrastructure decisions – principles such as an insistence on benefit/cost analyses before transport investment decisions, mandatory comparison of alternatives before decisions, and the development of longer term strategies before decisions about individual infrastructure projects.

14. These principles have not always been observed by governments since, but they were, and are, good principles. Yes, we still have a way to go, but our Auslink Whitepaper – which was an initiative of the APS - began the inexorable movement away from decades of using infrastructure as shameless election bait and towards strategically planned, benefit/costed investments in the economy and society.

15. But how well these same principles work for regional Australia may be another question. For example in most cases, a dollar spent on a metropolitan ring road carrying tens of thousands of cars a day will be found to be a dollar better spent than on a lonely country

road. In the future, the APS will need more sophisticated project selection methodologies to capture the non-monetary, community and externality values of the rural road. There is more to this than just political judgement by ministers.

16. What else might the APS expect in our 'new paradigm' of priority for regional Australia? Like metropolitan Australians, regional Australians over the next decade will be looking for more accessible agencies – on screen, on phone and in home. Like metropolitan Australians they will increasingly expect more timely services and correspondence. Timeframes for email are so different from 200 years of snail mail and the public service cannot afford to be the last national institution to be responding in snail mail timeframes. Like metropolitan Australians regional Australians will expect more personalised and tailored public services. They will want to know by name their contact officers in the APS and will be impatient with agencies' constant re-organisations and staff changes. They will also be impatient with apparently artificial functional separations between different agencies, and for that matter, different levels of government. Governments will have to organise themselves to be more unified externally and 'keep the spaghetti behind the counter.'

17. However unlike metropolitan Australians, regional Australians will more than ever be expecting Government services to be localised and spatially delivered. They will want their services to be tuned to their particular communities and their regions. On the one hand they will expect to be able to participate in decisions about their regions. On the other they will sometimes startle the city-based Australian Public Service by exhibiting consultation fatigue (because so often in smaller communities it is the same people who must front all the consultation processes). They will be looking for governance arrangements that maximise decision making and accountability in the local area - where they are comfortable - not back in Canberra where we are comfortable.

18. The Public Service will also need to be ready for a certain amount of pent-up frustration in regional communities. I detect parallels between the situation today and the 1990s in the year leading up to the emergence of the One Nation Party. I was at that time working for a

National Party minister. The rising tide of anger in regional Australia had not yet been recognised by the commentariat outside regional Australia but every time I dealt with regional people or opened regional newspapers (and you must do both every day in the agriculture department!) the language was stronger, the temperature higher and the alienation more evident. I became increasingly alarmed but could not persuade others that there was a real issue emerging.

19. In the end, I clipped fifty angry headlines from regional and local newspapers. I took the fifty and sat with my minister for an hour and talked him through them. Later that week he launched a political response to what was essentially a rural revolt – just in time to meet One Nation head on. To his great credit, and this would have been hard for a National Party minister, the minister publicly acknowledged his senior bureaucrat's early policy warning when we moved to different portfolios years later.

20. Beyond regional issues, there are a couple of other public admin suggestions I can now luxuriate in inflicting on you on the eve of retirement. I wanted to put them to you in the form of questions I suspect we have all asked ourselves in the honest hours of the night.

21. First, is it inevitable that the APS must forever be in a state of structural and staffing change? Must there so often be a new face every time a client or stakeholder rings? We know it drives our stakeholders mad. We know it introduces management risk. We know it adds confusion, costs and time. We know it makes the Service look inexperienced and shallow. We know these things, but we seem to accept restructurings and personnel changes as unavoidable features of the public service. We grumble to each other that just when our staff get good at their job they are promoted to start at the bottom of the curve all over again. But we keep doing it to ourselves. We know – as APS insiders ourselves – that this churn has high hidden costs. There are things that can be done: promotions in place; abolition of duty statements and functional statements; mandatory cost/benefit testing of restructurings; and so on. I wonder whether as a professional service we can't do better than we are.

22. Second, do our recruitment and promotion processes always justify the investment? How often do these complex, time-consuming and resource hungry selection processes actually lead to a different outcome? They can, but how often is the process more to boiler plate against objections by documenting mechanical process, rather than focusing on results – that is, the selection of the best person for the job. When we know the right answer from the outset, why don't we more often put our own name on the line and make ourselves accountable for the merits of our staff selections rather than the detail of the processes we followed?

23. Third, and here's one to provoke my colleagues from Treasury and Finance, why do we continue to encourage governments to load so much into the annual budget process? Yes, it enables trade offs, and yes it facilitates macroeconomic management and parliamentary process. But it seems to me to have a high cost in terms of political and policy opportunities foregone. Policy initiatives well worth a front page spread in their own right find themselves on page 6 of a very congested Budget supplement and sinking without trace by the following week. Worthy, but not critical, spending measures can be seriously delayed because they are forced into a 'one shot a year' budget cycle. I suspect impact could be enhanced, quality could be improved, government timeliness and responsiveness restored, and pre-budget chaos reduced if clusters of related policies were to be routinely developed and announced at different scheduled times through the year.

24. Fourth, have we developed internal probity and fraud control processes out of proportion to the objective need? Internal APS-specific probity and fraud processes are costly, constraining, time consuming and frustrating for all involved. I wonder whether we shouldn't be placing more reliance on generally available legal processes to deal with the very small number of crooks. Our processes are too often designed as though crime, corruption and unethical behaviour were endemic to the APS. They are not. Indeed one of the inspiring things for me about the APS has always been the deeply embedded ethics, values and principles of the APS culture. In a way, so extraordinary was Godwin Gretch that

he was the exception that proved the rule. The most powerful way to avoid future Gretches (why don't we call them that!) will never be internal processes. Rather it will always be cultural clarity about just what's acceptable and expected around here - messages sent by an organisation's leaders.

25. So there are four questions for Australian Public Service managers that might deserve some thought:

- Must we accept high levels of organisational structural change and staffing churn as inevitable in the APS?
- Are our recruitment and promotion processes focussing on process rather than outcome?
- Are we overloading the Government's budget processes?
- And, could our internal probity and fraud control processes be better delivered through generally available measures – the same measures to which all citizens are subject?

26. However, fifth, on this long list of self-indulgent free advice, I wanted to leave with you a more strategic question: are we becoming a "docile and unassertive service".

27. Have we been imperceptibly (like a frog in boiling water) persuaded to think of the APS not as the great national institution it is in its own right, but simplistically and solely as the instrument of the government of the day. Of course, we are the instrument of the government of the day. I have spent many hours explaining that to my staff over the years. Individual public servants can't all independently pursue our own personal notions of the public interest. That's why Australians elect their representatives. Public servants propose; ministers dispose.

28. But I submit that, at the same time as the APS is the instrument of the government, it is also more than that. In my view we need to find a better point of balance between accountability to ministers and responsibility more broadly. For example we do have a responsibility to keep pointing out uncomfortable truths even after the Government has

made its call. We do sometimes know facts and have access to analyses not easily available to the public or its elected representatives. We do have the history.

29. It follows that we have a responsibility to argue forthrightly when politics is compromising good outcomes. I bet we can all think of instances where the decisions of the properly elected government were clearly and objectively not in the national interest. If we are serious as professional servants of the public it is a cop out just to shrug and snigger knowingly and say that the elected government decides what is in the national interest. Yes, the public service is an instrument of the government of the day, but it is not mindless. Backing up and speaking up can be uncomfortable but we have a responsibility to keep doing it.

30. Have we become docile and unassertive in the way we put – or more accurately, fail to put – our biggest picture national strategic views to incoming ministers? Are (at least our line departments) waiting too long for political parties' policy announcements and then weighting them too heavily in their Incoming Ministers' briefs? By all means, we should shape the colour and texture of our advice to the goals, directions and style of the Government of the day. But it is a cop out to essentially build a line department's portfolio policy agenda only to the blueprint of an election platform often produced in a rush by political parties with much less depth than the APS – and much more constrained by the sensitivities of a political campaign. We can do more and better than that.

31. Have we become docile and unassertive in throwing in the towel when our advice once given is rejected? There was once a saying that advice given three times was courageous. There are ways and ways of running genuinely good ideas back into the system after a knock back. Talented, creative, process-smart public servants can and should do that.

32. Have we become docile and unassertive in our dealings with Ministerial staffers? Despite the newish guidelines for Ministerial staffers I still see a lot of middle ranking public servants bending unthinkingly to "the Office" mistaking these meretricious cameo-players for the Minister. They are not.

33. Have we become docile and unassertive in Senate estimates hearings? There is nothing wrong with being assertive in an Estimates committee hearing. You are not a victim. You are not on trial. In a sense an Estimates hearing is nothing more than one set of public officials questioning another. A public servant must be accurate and honest of course but there is nothing wrong with showing a bit of spine when required. Indeed my own view is that one reason the most senior APS people should be present at Estimates hearings is to provide air cover if a more junior colleague begins to struggle under fire.

34. Have we become docile and unassertive in media and academic debate? When we hear garbage or inaccuracies on current affairs radio over breakfast shouldn't we be getting the facts out there? I also think we have a responsibility to be more active on the conference circuit, including alongside academics. Yes, we need to be mindful of the public profiles of our ministers, and yes we need to avoid partisan issues, but there is a lot our great APS institution can say that can be constructive and will advance the public debate. We do have a choice: we can sit back and complain about the standard of public policy debate or we can do something ourselves to improve it. To clarify what's legitimate in public comment perhaps we need a 'new deal' with our ministerial executive, parliamentary committees and accountability bodies such as the ANAO...

35. Our top executives have a special role in the public debate. For example, although it has been contentious, I applaud my colleague Ken Henry's persistence in his regular public economic and reform contributions. These are respected, needed and heeded. Given the caning he has sometimes got, Ken might have given up long ago. But he hasn't and that's to his great credit.

36. Parenthetically, and just to keep you awake, I can confide today that Ken Henry has always meant something special to me. (I expect Ken has been jolted to wakefulness full of dread as he hears that!) Until Ken was appointed Secretary, I was the youngest of the portfolio secretaries group. It was a great release to have Ken take on the mantle. I can't really recall Max Moore Wilton ever asking either of us for our opinions about youth unemployment,

teenage pregnancy or underage drug use, but if he had, I was now in a position to smoothly refer him on to the better qualified younger Ken. For Ken Henry's part, there were days when I was probably the only light spot in a dark sky. Ken thought there was a touch of Monty Python in meeting each other in the corridor and greeting each other: "Hello Ken; hello Ken. How are you Ken? I'm well Ken. How are you Ken? I'm well too, Ken. Then let's carry on with our day Ken. Yes, let's do that Ken".

37. But back to the plot – such as it is... Have we been docile and unassertive in speaking up for the APS itself? Apart from Terry Moran, who has spoken up for the APS after the (admittedly awful) insulation affair? Received wisdom now in the media and the Parliament is that the Commonwealth as a whole (the APS) cannot manage programs. Yes, the program management failures have been substantial and damaging to our professional reputation but it is a shallow, intellectually indefensible conclusion to say that the Feds should therefore be out of program management in all portfolios and for the indefinite future. An assertive APS would be saying so. For my part, that's exactly what I am saying here today...

38. Well that's been a pretty serious set of suggestions hasn't it? You might feel like slashing your wrists, but I feel a lot better for having got it off my chest. Thank you for the therapy.

39. To cheer you up, in a schadenfreude kind of way, let me switch for a while to come back to a story about the very popular institution of the Senates Estimates committee. On one occasion, immediately following the collapse of Ansett Airlines, I was called as the sole witness to a Senate inquiry on the last day before Parliament recessed – for an election I think. The Opposition, the media and indeed most of Australia were outraged that Ansett had collapsed and were baying for blood. It was known that I had been up to my neck in the last weeks of work to manage the collapse. (Our departmental view was that it was a painful event but that the tide couldn't and shouldn't be resisted.) The smell of blood was in the air and I was dreading the hearings. Despite my hours of swotting overnight I knew that only misery could come from the day.

40. When I arrived my heart sank even further to see twenty or so journalists including several

TV cameras milling around excitedly to see and record the bloodletting. For once the Senators seriously outnumbered the (single) public servant. It was clear that whatever I said would be national news and worse, would likely be taken up in Question Time later that day.

41. Well, I'm pleased to report that despite some punishing questions, I was so painstakingly precise and detailed in my answers, so pedantically accurate, so boring, so dull, so lengthy, so absolutely non-telegenic, that I had the inward satisfaction of watching the disappointed media steadily drift away over the next hour, well before the questions got anywhere near anything dangerous. When it was all over my minister's chief of staff, probably having roused himself from a deep Matthews-induced sleep, rang to congratulate me. I have always considered it my modest little triumph of the dead bat over the fast bowlers.

42. The Australian system of government is often referred to as the 'Westminster System.' The APS is not a pure Westminster system; nor is it, as is sometimes claimed, a Washminster hybrid. It is already uniquely Australian – I sometimes refer to it as the 'OzMinster' system.

43. The uniquely Australian features of Australian government administration which have evolved over time derive from many sources. These include the differences in the Australian Constitution from other countries' foundation documents. Legal case law has evolved in characteristically Australian directions. Parliamentary processes have evolved to meet uniquely Australian political and administrative needs. Uniquely Australian public administration institutions and processes have evolved. There is certainly a uniquely Australian 'culture' in the APS.

44. In my view we should be very proud of our uniquely Australian model of public administration. For me the fact that it has evolved far from its Westminster origins is thoroughly positive. It captures the dual ideas of the APS as a great, continuing national institution – but one which at the same time is responsive and ready to change – that is, a willingness to continue to adapt to Australian circumstances and national needs. Here in Canberra we should never forget that there is no special community respect for the

centuries-old Westminster model. The Australian community wants a model that works for them in their current circumstances. We should be applauding not apologising for, the progressive departures over the years from old models originating in old countries, and assertively affirming the resulting strengths of the younger, tailored Australian model of public administration.

45. And that model will and should continue to change. The case for necessary further public administration reform can be built around the uniquely Australian policy challenges ahead. The strength of OzMinster is its fluidity and capacity to continue to adapt to Australia's own future.

46. We've come so far towards our own OzMinster model I think it's time to stop using the Westminster misnomer.

47. Clearly, I am a fan of the APS. However it's no secret that at least outside Canberra, not everyone is! Public servants seem to spend too much of their time apologising. It was partly for those reasons that when I was the President of the Institute of Public Administration in the ACT over the period including 2001 we decided to have a red hot shot at improving the self image, and the public image, of the Public Service.

48. 2001 was of course the Centenary of Federation and therefore the Centenary of the Australian Public Service. In IPAA we decided to go for broke and organise an unapologetic celebration. After all, no one else was likely to organise one for us...

49. Some of you may remember that we held what was then the largest ever dinner in the Great Hall of Parliament House where we saluted past and present public servants, including representative middle and junior level public servants invited along for the night. The Governor General himself immortalised the public servants of 2001 in a centenary plaque which you can find outside the Admin Building. There were many other agency-specific events organised. For example Defence literally built a monument to intelligence officers past and present – an anonymous group of public servants never before publicly

acknowledged. We even startled the tourist visitors to Canberra by having APS centenary flags flying along Commonwealth Avenue for the week as though we were a visiting football team. It was a fun week but with a serious message. We were acknowledging 100 years of public service by the Public Service. And not before time.

50. I wanted to say a word or two about Canberra. Many of our public servants are not Canberra based – but Canberra is clearly the home of the APS. Canberra gets bad press. It is said to be out of touch, theoretical, unrealistic, elitist, and so on. Visitors get lost in Canberra in many senses. They say that Canberra goes in circles; is a waste of a perfectly good sheep station; the best thing about Canberra is that there are good roads out of it; it is only three hours from Sydney and two hours from the coast; and so on.

51. But Canberra to me is a critical part of the unique OzMinster model I spoke about earlier. Canberra's business is government. No dinner party happens without a spirited exchange about public policy. Ideas move in and around the city much more easily than they would if our national capital were a five million person diversified urban giant.

52. Australia may be a big continent but it is a small nation, governed from a small city. For that reason it's much more governable than say, the US or Europe. From my own experience, when I have issues that need to be resolved – I almost always know the people involved – either in Canberra or in the State governments. I can pick up the phone and say Lynelle, we have a problem. Let's solve it... (I hasten to say that Lynelle and I hardly ever had a problem.) But managing issues in that way is much less feasible in the US or Europe and would certainly be much less so without our Canberra. Government business works when the business of government is the business of the whole town.

53. Having said that, Canberra has come such a long way even in the time Margaret and I have been here. Canberrans support – almost insist on – fantastic art, cultural and recreational opportunities, Australia's best educational standards, world class science and brain based enterprises, flagship national institutions such as the Australian National University, the national collections and a burgeoning services sector based on consultancies (which are

often themselves spawned from people and ideas from the national government). Canberra is a stimulating top-end intellectual environment. Canberra and the APS feed off each other and long may it continue.

54. My most recent appointment has been as Chair and CEO of the National Water Commission. I approached then Prime Minister Howard requesting that appointment after two successive appointments as Portfolio Secretary. I well remember David Borthwick, then a Deputy Secretary in PM&C, being incredulous that a Secretary would do such a thing – ask to move to a non-Secretary role. He didn't understand at all. I equally well remember David confiding in me years later that he was about to pull the plug on his own appointment as Environment Secretary. I reminded him of our earlier conversation. He understood well by then.

55. I won't even try to explain today, but what I can report with delight is that my six years with the National Water Commission have been among my most rewarding of all my years in the APS. The Commission is a unique creature in public administration. It is an independent statutory body formed for the express purpose of criticising the federal and state governments that created it. It exists to blow the whistle if the water reforms to which all Australian governments have committed are not delivered. Unusually, it has a public and media advocacy role – a role I have exercised with discretion and, I hope, judgement.

56. The Commission is at once a critic, as well as a player on the water reform stage. It provides not only policy advice, but also manages programs, initiates action and facilitates cooperation among water reform players. It comprises Commissioners nominated by the States and others nominated by the Commonwealth. In a conspicuous breach of good governance principles (!) it produces a public report card on the achievements of the very minister to whom it reports. ("Talks a lot in and out of school. Could do better".) It is definitely a bold experiment in the design of public institutions.

57. I am enormously proud of what the Commission has done. But I am more proud of how it

has done it. The Commission has been scrupulously principled from the outset. It has criticised, yes, but always with careful attention to the evidence. It has been decent in its dealings with officials from the states and territories but has always told it like it is. It has worked hard and systematically on its stakeholder relationships. To this day it enjoys warm support from dark green environmental groups, red necked industry groups, uber-rational science groups and soft, people-focussed community groups. It prides itself on its integrity.

58. Around the Commission table itself some of the Commissioners have quite literally forgotten whether they were originally nominated by the States or the Commonwealth. They act, as required by their Act, in the best interests of the Commission, not their antecedents.

59. The Commission is in some senses a mirror on my APS career. The APS values and ethos, that so attracted me all those years ago when I followed my telegram to Defence, permeate the place. The Commission works on a vital national issue and is prepared to tell truths when they need to be told. The work of Commission staff has a hard edge: they insist on logic, rationality and evidence. But there is also a softer team culture of decency, affection for each other and respect, including respect for the many different water stakeholders. The Commissioners, who run the place, are unfailingly decent in their dealings with the staff, who do the running. That sort of culture attracts able people. It attracts people who take ethics, values and decent behaviour seriously.

60. It has been a privilege to serve alongside people like Commission people. 36 years after those two telegrams off the plane it has been a privilege to serve alongside so many other outstanding public servants in this room today. It says something about the APS culture I have been talking about that you have taken the trouble to come out this afternoon when I am sure a hundred must-do things crowded in on you. But somehow, given the Australian Public Service collegiate culture we share, and which we will pass on, I'm not surprised.

61. Before I close, I want to give one-only thank you. It is only one, not because I am not grateful to many people in this room. I am, and I will be thanking more people at my

farewell drinks tomorrow. There is only one thank you because the one person who most deserves my thanks is Margaret and I wouldn't want to dilute my public thanks to her among a long list of other thank yous. Margaret has been unfailingly supportive over our 36 year ride together. She has sacrificed a lot while I have been preoccupied with work. She has carried the family too often. She has coached me in the nicest way. She has charmed my colleagues. Because she is also a proud and professional public servant herself she has shaped some of my best public admin ideas over the dinner table. (You're asking yourself are our dinner conversations really that dull?) And after 36 years we're closer than ever. So tonight, on this rare occasion when I say something public about, and to, her I am saying a very public thank you.

Thank you.

6 October 2010

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