

STATE OF THE NATION

Max Moore-Wilton AC

In his introduction Geoff McWilliam described Max as a highly experienced former senior public servant with a distinguished career spanning government and private enterprise. His previous roles included Secretary of the Department of the Prime Minister and Cabinet and senior leadership positions in major organisations, including Sydney Airport. Geoff mentioned Max's long-held view that public administration should be based on integrity, transparency and the public interest, rather than simply achieving some financial or political outcome.

Opening Remarks

Max began by making it clear that his presentation would reflect his **personal views rather than an objective commentary**. Drawing on decades of experience in government, business and public administration, he described Australia as a fortunate country, but one that is currently **"confused and concerned."**

Our country has experienced a gradual drift in public policy over the past 20 years. While prosperity and relative stability have made Australians comfortable, significant structural changes have occurred around us.

Max placed this in the context of major global changes:

- The end of the Cold War and the emergence of a different geopolitical order.
- The declining dominance of the United States.
- The rise of China and India.
- Russia's attempts to retain its position as a major global power.
- Increasing uncertainty about Australia's place in a changing world.

Australia's Post-War Development

Max reflected on the Menzies era as a period of significant economic and national development. Two developments were of particular importance:

- Australia's strengthening relationship with the **United States**, providing greater security following the upheaval of the Second World War.
- Our transition towards a more internationally competitive trading nation. He particularly credited John McEwen with recognising that Australia needed to move beyond its traditional dependence on Britain as an export market.

A major example was the development of Australia's iron ore exports to Japan following the removal of export restrictions.

Whitlam and Structural Change

While Gough Whitlam was an important figure in Australia's political development, particularly in opening Australia's outlook towards **China and Asia**, Max commented that the Whitlam period also began an important structural transformation of the Australian Public Service including:

- Reduced independence of senior public servants.
- Growth in the influence of politically appointed staff.
- Increasing control of departmental advice through ministers' offices.
- A gradual shift from the public service developing policy towards primarily implementing government policy.

Fraser, Hawke and Keating

While critical of Malcolm Fraser's administrative style, with his government frequently operating in a state of crisis, Max argued that **John Howard learned valuable lessons from observing Fraser**, particularly about the importance of orderly Cabinet processes.

He spoke positively about aspects of the Hawke government, particularly the relationship between government and the union movement. He singled out **Bill Kelty** as an important figure who understood the need for structural economic reform while maintaining support from organised labour.

The Hawke-Keating era also produced one of Australia's most important structural reforms: **compulsory superannuation**. Max expressed concern that the subsequent development of the industry superannuation system, with industry funds becoming major institutional investors, has significantly altered the way capital is accumulated and controlled within Australia.

Political Advisers and the Public Service

Max expressed strong concern regarding the enormous expansion of **ministerial and political staff**. He contrasted his experience working with John Howard, where he insisted on being able to speak directly with the Prime Minister, with the contemporary system in which large numbers of political advisers sit between ministers and professional public servants. This has resulted in :

- Political advisers reviewing and altering departmental recommendations.
- Reduced direct access between senior public servants and ministers.
- Weakened quality of government advice
- Increasing influence of communications and media advisers.
- Ministers becoming less willing to give a definitive “**no**” to proposals.
- Political messaging increasingly influencing policy decisions.

Education and Social Change

While acknowledging the importance of removing the historical barriers that prevented women from receiving equal educational and professional opportunities, Max commented that the expansion of universities and changes to tertiary education had altered the intellectual and political character of Australian institutions.

He particularly identified the growth of:

- Social sciences and humanities.
- Debate surrounding colonialism.
- Indigenous rights.
- Women's rights and equality.

The Legal System

Max argued that Australia has increasingly adopted elements of an American-style approach to litigation and review.

He highlighted:

- The high cost of major court proceedings.
- Expensive royal commissions and inquiries.
- Growth in specialist tribunals.
- Multiple layers of appeal and administrative review.
- Increasing legal complexity surrounding government decisions.
- Significant public expenditure associated with these processes.

While acknowledging the importance of justice and due process, his argument was that the system has become **too complex, expensive and cumbersome**.

Government Spending and Dependency

In contrast to our present financial position, Commonwealth Government debt was substantially lower when Howard left office. Max commented that controlling public expenditure requires continual scrutiny of government departments and programs, rather than occasional attempts at major reform. He is particularly concerned about the increasing proportion (50%) of Australians receiving some form of government support. He added that government assistance can create greater expectations of entitlement and make meaningful expenditure reform politically difficult.

A central concern is the possibility that **younger Australians may ultimately be financially worse off than their parents' generation.**

Leadership and Singapore

Max argued that Singapore succeeded despite limited natural resources because its leadership established a clear long-term vision and communicated difficult expectations to its population.

The comparison was used to make a broader point: Australia needs leaders prepared to articulate a clear national direction rather than continually responding to immediate political pressures.

In his view, Australia needs to:

- Concentrate more strongly on long-term national objectives.
- Be prepared to make difficult decisions.
- Reduce political emphasis on short-term popularity.
- Learn from successful international examples.
- Focus on productivity, competitiveness and future generations.

Questions & Discussion

Nuclear Power

Asked whether John Howard's decision regarding nuclear power had been a mistake.

Max said the political circumstances at the time were important. Public opinion was strongly influenced by concerns about nuclear safety, and Howard, a highly pragmatic politician, did not believe there was sufficient public support to pursue nuclear energy.

Nuclear power remains a difficult political issue in Australia today.

The Liberal Party and Professional Politics

Asked about the state of the Liberal Party, Max drew a distinction between the organisational cultures and capability of Labor and the Coalition and commented that:

- Modern politics requires a highly professional organisation.
- Labor has developed strong political and campaigning structures.
- The Liberal Party needs to become more professional.
- Successful politicians need to understand Parliament as an institution.
- Both John Howard and Anthony Albanese benefited from extensive parliamentary experience.

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NDIS

While the NDIS has expanded considerably beyond what was originally envisaged Max commented that **once government programs and entitlements become established, structural reform becomes increasingly difficult.**

Career Politicians

In response to a question about the increasing number of career politicians who have little professional experience outside politics, Max commented that Parliament benefits from people with experience across:

- Business
- Agriculture
- Professional services
- Government
- Public administration
- Community organisations

rather than from political staff or activist backgrounds.

Honours System

As a recipient himself, Max supports retaining an honours system because he believes **service to the community should be recognised**. He believes our existing system is broadly effective and appropriately administered through Government House.

Australia as a Republic

Max believes it may be time for Australia to **revisit the question of becoming a republic**. He expressed considerable respect for Queen Elizabeth II but questioned whether future generations of Australians would retain the same attachment to the British monarchy. His preferred model would not resemble the US presidential system. Instead, he favoured a largely ceremonial Australian president selected through Parliament, with limited powers and a defined term.

United States and Presidential Power

The discussion broadened into concerns about the concentration of presidential power in the United States. Max argued that the US constitutional system was deliberately designed with checks and balances between the President, Congress and the courts. In his view, those safeguards have weakened as political institutions have become increasingly partisan.

Vote of thanks

In closing, the vote of thanks was given by Rob Thomas who acknowledged the speaker's long reputation for being **fearless, frank and intelligent**, both as a senior public servant and as a leader in industry.

The overarching message from the presentation was that Australia remains an extraordinarily fortunate country, but **long-term structural weaknesses have accumulated and now require stronger leadership, clearer priorities and a greater willingness to make difficult decisions**.

Alan Locke