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15 August 2023

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Dear Sir or Madame

**Australia’s recent crop of politicians and senior bureaucrats have been
*slow learners* with *short memories***

**A properly resourced Public Service, has in the past and can in the future, achieve *economies of scale*, not attainable by drawing from *outside the tent***

**The writer’s background**

I worked for the Commonwealth Bank from Feb 1970 to Feb 2007 – 37 years. The latter half was in Infrastructure Finance. I was the fiduciary Agent to large syndicates of 1st ranking banks which sat between the Joint Venture Special Purpose Vehicle and the syndicate of banks usually between five and a dozen banks eg. privatisation of Sydney Airport (37 1st ranking debt providers) and also Brisbane Airport (purchased by Schiphol) and construction of Sydney Harbour Tunnel by Transfield/Kumagai. Also worked on a few of the early Public Private Partnerships
eg Rouse Hill Sewerage Treatment Works. I studied at Macquarie University part-time (night lectures and tutorials) and attained a B.A. in Economics and a Masters in Applied Finance.

**Commonwealth Bank as a Commonwealth Government owned entity**

Commonwealth Bank of Australia also performed the ‘central bank’ role until 1959 when the Reserve Bank was established.

Commonwealth Bank of Australia was privatised in 1991. Hence, I had material employment tenure under both a ‘public service structure’ (salary was based on specific attained ‘grade’) and that of a large corporation (salary was negotiated with your boss or his or her boss).

When I joined the Commonwealth Bank back in 1970, I was a General Classification employee as all new recruits were. The first promotional level was to a Grade 1 Clerk, thence followed by a Senior Clerk B, thereafter followed by a Senior Clerk A, Senior Clerk A+1, A+2 etc. Branch Managers were at least Senior Clerk A+4.

It wasn’t difficult to know a colleague’s salary if you knew their promotional grade. The salary for each employment classification ‘grade’ was available data to all Commonwealth Bank staff.

I worked in four braches between 1970 and 1974 after which I started in Accounting Dept. The fellowship and bonhomie amongst the staff was palpable, both in branches and in Head Office departments. Invariable fellow staff willingly taught other ‘staff’ job skills that other staff were familiar with.

There were no external employment appointments, at least not in the branch network.

**Commonwealth Bank as a large commercial bank from 1991**

Post privatisation, employment by CBA was open to external bank personnel, mostly from the larger Australian banks.

Some appointments (from outside CBA) were beneficial, but many were not. Invariably external appointees could *talk under wet concrete with a mouthful of marbles* at job interview. But many were not as adept at delivering after *snagging a job*, often managing five or more subordinate staff.

One of the primary requirements to more senior management appointments is knowing the skillset (strengths and weaknesses) of their subordinates.

Learning subordinates individual skillsets takes time which was rarely an issue pre-privatisation, because promotion was generally from within *the immediate tent* and rarely beyond it, because senior public service management appreciated the logic of appointing/promoting a more senior employee that knew the strengths and weakness of each member of the particular section/working group.

**Draft Paper re the ‘*economies of scale’* attainable for a well administered ‘public service’ department/agency which used to have low ‘*churn’* (employee turnover) due to a commitment to serve the public to the best of their ability**

Annexure 1 is my **Draft Paper for Consideration by Institute of Public Administration, Australia.** It contends that:

* Australia’s recent crop of politicians and senior bureaucrats have been
*slow learners* with *short memories.*
* A properly resourced Public Service, has in the past and can in the future, achieve *economies of scale*, not attainable by drawing from *outside the tent.*

Annexure 1 references two eminent publications on the predecessor of the
Institute of Public Administration Australia, namely the Australian Journal of Public Administration:

* **CHALLENGES IN PUBLIC ADMINISTRATION** by The Hon. R.J. L. Hawke. AC, MP.
Vol. 48 No. 1 - March 1989
* **DECADE FOR DEBATE** by Gerry Gleeson, AC No. 1, March 1991

Annexure 1 seeks to point out to our politicians the reasons why a properly resourced Public Service, did in the last century and can in the future, achieve substantive *economies of scale*, not attainable by seemingly focusing on short term ‘fixes’.

I welcome any comments on my Annexure 1 because I patently believe -

1. what the late Bob Hawke chronicled, namely that -.

“**The public sector ………………..**re **regulation, economic analysis and policy advice, have assumed critical importance in determining the overall efficiency of our economy**.” and

1. substantial ‘*economies of scale’* were in the last century, and can be achieved again, provided senior public servants are promoted from within the Public Service based on long term performance and they seek to emulate the talents and disciplines of the late Gerry Gleeson.

Yours sincerely

Phil Johnston