



## Case Study 4

### Jeff Kennett

This is an interview with the Hon. Jeffrey Kennett AC, former premier of Victoria (1992-1999) conducted by CEDA in May, 2013. An excerpt of this interview was published in CEDA's publication *Setting Public Policy*.

**The Hon. Jeff Kennett AC was the 43rd Premier of Victoria between 1992 and 1999. He is founding Chairman of beyondblue, a national depression initiative. He was President of Hawthorn Football Club from 2005 to 2011.**

***Do you think there is an issue with the quality of the public policy debate in Australia?***

**Jeff Kennett:** Yes. The reasons it is an issue is that the political cycle is too short; the influence of the media on good policy is not conducive to its delivery; most politicians, as an organised group belonging to a political party, don't have long term visions, and therefore they're focused on the now rather than tomorrow.

These issues have become worse. What's changed is that the media, the quality of politicians, and the development over the last 20 years of a society based on entitlement rather than self-reliability.

The media reinforces the instantaneous nature of life today. This doesn't give people time to reflect and consider. Politicians are fundamentally too weak to resist the pursuit of popularity and the pressures that come from the media.

***How did you approach that leadership style when you were Premier?***

**Jeff Kennett:** No differently than I would approach leadership of any organisation. Leadership is not difficult, but it does require resolve and it does require a sense of where you're going. It requires you to assemble around you people that have the skills that you don't have; it requires the development of the strategy to deliver the vision; it requires consistency of advocacy, and then you need to be able to demonstrate the benefits of what you've been articulating. Those benefits, at the political level will be an improvement in the environment in which we live. If you're in commerce, it might be judged as profitability. For a football club, it might be winning premierships.

***Do you think politicians currently lack a long term vision or don't have one well-articulated?***

**Jeff Kennett:** Well, not all of them. But I think and I hope Tony Abbott will present a vision for Australia before the next election, and I hope that'll be long term based. I think Campbell Newman is making some tough decisions because he wants to get Queensland back to a position of sustainability in the next decade. But recently, if you have a look at the political experience in Queensland under Bligh, New South Wales under success in Labor governments, Victoria under a decade of Labor and in Canberra, you see this extraordinary failure of leadership, and incoming governments have to take strong action, as is always required, to tidy up their mess, which is not easy.

Although you're not swatting one side or the other, I think there is enough record now to show that Labor governments largely failed economically. Conservative governments may not be as good as you'd like, but they're better. What's changing all the time is the speed of communication, which is instantaneous, the 24 hour cycle of media. Therefore it's going to be even tougher for the good governments with good values to make the necessary changes to put Australia back in a strong

position which offers, and looks at, both the efficiency of government and the delivery of services that they supply, and infrastructure and their ability to recognise and encourage growth in the private sector.

*Could you talk a bit more on political will and vision?*

**Jeff Kennett:** What I mean is if you've correctly identified where you're trying to take the country or the state through a long term vision, you need to get the people around you, and put in the strategies to deliver that vision. There may be some speed bumps along the way but those need to be addressed, but they should not divert you from the main task, which is to deliver the long term objective.

Where you have no long term objective and you only work from day to day worrying about opinion polls or anything else, then you are buffeted by whoever makes the most noise.

*Do you think the minority government has contributed to this?*

**Jeff Kennett:** No, I don't see that as an issue at all. I've often said to prime minister Gillard, all she had to do was stand up to the independence initially and she would have got the support of the public. She chose not to do that, so that was a character flaw of leadership that would have mattered. I mean, there have been a lot of people who have governed by slim majorities. Wran did in New South Wales and went from strength to strength. Menzies did it before him – that's not an issue.

Delivering a long term vision often means difficult decisions have to be made, which creates resistance.

*How do you deal with resistance in a position of leadership?*

**Jeff Kennett:** Well, you just stay the course, you don't vary. You're not elected to be popular, you're elected to govern. Bob Carr was elected to govern. Bob Carr sat on his hands for 10 years and threw New South Wales into an infrastructure void. If the measure of a politician's worth is the number of years he stayed in office, then Bob Carr would rate very well. If the assessment of a politician's contribution is whether they left the area of their administration in better shape than they inherited it, it failed, because New South Wales was a lot poorer by the time he finished.

I think the reverse is the case in Victoria; we inherited a state in pretty terrible shape. With the combination of good ministers who were focused, with good public servants, and ultimately the support of the public, we were able to turn that around. So we governed while Carr read books.

*The situation in Victoria was quite difficult when you came into power. Did that help to galvanise people's support for your reform agenda?*

**Jeff Kennett:** No, we had to prove that our reform agenda was right, and that it would deliver the outcomes that we're articulating. I mean, don't forget, there are a lot of people who are very vocal in what we did – against what we did. But if we didn't have that vision in place, if we weren't able to talk about 2020 and 2050 - and that's

going back to 1992 – if we didn't have the right people in place, if we didn't have the right policies, we wouldn't have succeeded.

So the difficulty of the situation made no difference. At the end of the day you still have to prove your worth.

### *How did you go about developing that long term vision?*

**Jeff Kennett:** Well, the members of the cabinet worked hard together for 10 years before being elected in 1992. From when I was elevated to the leadership in '82, we kept reviewing our policies. Every time we lost an election we kept refreshing those policies.

The situation kept getting worse economically, so we knew well before the election we had a chance of winning finally in '92. I'd selected good people for the parliamentary system, we'd selected all of our senior public servants, we'd reorganised the shape of bureaucracy from 32 departments down to eight. So we were well ready to govern, and the day we got in we started governing.

I think the public needs to know where you want to end up. I don't think they necessarily need to know all the details of how you're going to get there. Where do you want to lead Australia? Where do you want Australia to be in 2050? The public don't want to cross every T and dot every I. They just want you to govern, they expect you to govern. They want a government of adults, not of bloody children. They want a government that will give them certainty as to how they manage and live their lives. So whether people agree with us or not, they all knew where we were heading.

### *How did you go about the process of developing policy?*

**Jeff Kennett:** We started to work very closely together as a team; we had a very good support team in terms of the 500 Club, which was the inspiration of John Elliot, which gave us access to people in industry on a regular basis to make sure that we, as politicians, who had spent some years in politics remained in touch with what was happening in the private sector. So there it was important.

The 500 Club provided us with a secretariat to help us on policy development that was headed up by Petro Georgiou, who in those days, contacted with the 500 Club and developed draft after draft of policy which was continually changing, until we presented them for the final time in '92. So it was a process of a team of people working together very efficiently over a period of time, so the day of the election we knew exactly what we were going to do.

### *In the process of developing those policies, was that something that you worked closely with the 500 Club, which was one form of special interest group, or did you also work with others?*

**Jeff Kennett:** No, we worked with Petro Georgiou and his staff; he had a staff of one and the senior shadow ministers all worked very closely together. The 500 Club really just gave us the funding to have the secretariat headed up by Petro, but it also gave us access to the people with whom we could test ideas. So if we wanted to test a policy proposal I'd be able to call up 40 people, and the 500 Club, sit down and talk and say, "well, this is what we were thinking? Will this work? Will it not work?" It was

the same in a number of areas of policy; we had access to people all the way through.

*When you were in government, did you continue to rely on those processes?*

**Jeff Kennett:** In a different manner. We established a business roundtable that met with me regularly and some of my senior ministers, and so that kept us very much in touch. And my ministers were able to utilise a number of people in the private sector who had experienced a sounding board for advancing our work and our performance.

But the work had already been done. By the time we got into government, we knew what we were going to do. We had the people in place, so it was only a matter then of exercising consistency and delivering.

*On an ongoing basis, what sort of role is there for external bodies and interest groups or expert people to assist in developing policy?*

**Jeff Kennett:** Well, I think you've got to be there at times to take their views. You've certainly got to be prepared to use them to get ideas, because I said before, the longer a politician stays in the rarefied employment of politics, the less relevant they come to what's happening in the real world.

But, on the other hand, there are a lot of bodies I wouldn't meet with – I didn't respect them, I didn't respect their views. So the Committee for Melbourne was one I never met with. They used to think they had all the answers and used to pontificate and tell us what we should do. I had no time for them at all, so I didn't meet with them. I went to a few seated things from time to time, addressed them a few times, but in the end it's part of business. You take advice when you need it and the rest of the time you're batting on your own judgement.

*How do you keep developing those ideas and vision in government?*

**Jeff Kennett:** Well, you live in an ever-changing world. You're not stupid, you're not blind from it. So again, if you've done your work, you know what your objectives are. You might have to refine them as circumstances change, but that doesn't mean you change the fundamental direction of where you're going. It's not hard; leadership's not hard. But you need the right people, you need results.

*If leadership's not hard, why do we seem to be struggling in Australia at the moment?*

**Jeff Kennett:** Everyone's different. So, I mean, I've never seen a government that turns on itself so regularly, that are publicly out there calling each other names. That doesn't instil confidence. So that's why I say that's a government for children. What Australia needs is a government for adults. You hadn't done the how, you hadn't done that clearly – you haven't got it now. But that's the personality. So until the public can exercise their option, you're going to have this continuing dilemma of a head of government people don't trust. I mean, once Julia Gillard changed the position on carbon tax, she lost trust. The public lost trust. Trust is a terribly important issue in life.

### *So is that an example of someone going against a public mandate?*

**Jeff Kennett:** Well, it's a public mandate, but it's her own undertaking. She said that there would be "no carbon tax under any government I lead." And if you come around straight after the election and change your position, she's got no one else to blame but herself.

### *How important is having an electoral mandate to introduce reforms?*

**Jeff Kennett:** It doesn't matter. I mean, what does matter is whether the government knows what they're going to do. You've got to get into office first, right? So, you know, if I'd gone out and said we're going to give 55,000 public servants the opportunity of a new job elsewhere we probably wouldn't have gotten their support. So it's better to win government and then implement your program, but that assumes you've got a program to deliver.

### *How important is a leader's ideology in terms of interpreting and developing policy?*

**Jeff Kennett:** Everyone's different, but ideology doesn't matter that much. The best ideology to take anywhere is common sense and good values. If you do that you're pretty well home and hosed. If you try and impose things just for the point of ideology you inherently lose. You know, all these personal attacks have come from the Treasury on people who are successful, who employ a lot of people, pay a lot of tax – just madness.

### *Do you think the cabinet is important?*

**Jeff Kennett:** Absolutely, it was a lesson I learnt in my army days. You can have the best general on the field, but if he doesn't have troops under him and they don't have a good relationship and they don't work together, you can't win anything. So no one on their own wins. A premier doesn't win alone, the leader of a football club, a player, a not-for-profit, no one on their own delivers – only teams deliver.

So in all of the work together you've got to establish this team concept, and our team was very good, very solid from top to bottom. Not to say we didn't have discussions and differing opinions, but once the decision was made everyone towed the line.

I've always said you only need six good ministers to run a state government and eight to run a federal government. I was fortunate as I had those six people plus a few more

### *Could you talk a little bit more about that?*

**Jeff Kennett:** Well, I can't justify how other people act. All I can tell you is how we behaved. Our process of consultation – ministers brought legislation to cabinet, I would have seen their paperwork three or four times before I agreed to let it go to cabinet. And if there things I didn't understand I'd send back to the department for review and the minister, and stuff only came to cabinet when I understood it, and I

reckon I was as well-briefed as any of our ministers on matters they brought before the cabinet.

But at the end of the day, it was a cabinet decision as to whether we proceeded or not. That's why I keep saying leadership is not difficult.

*How did you develop that sense of teamwork?*

**Jeff Kennett:** We worked together as a team, we gave responsibility, we gave people the opportunity to contribute; our doors were always open. But you still had a group of six or eight (ministers) who ran the show, who were the creative brains behind the direction. Not all administrators are going to be of equal value in terms of what they can contribute, but they are all part of a team and therefore it was a team of equals in terms of their presence, rather than a team that was led by one.

That's why you go back to getting the right people about you, and a leader has got to understand their own strengths and weaknesses. Therefore you've got to bring around you the people who have got the strengths that you haven't got.

*Do you have any lessons from the relationship between cabinet, individual ministers and the backbench?*

**Jeff Kennett:** Your leader has got to be able to communicate well. I mean, communicating internally is terribly important. They may not be in cabinet but they've got to be respected and they've got to be communicated with so that they understand what the actions of government are. Because often when the Parliament's not sitting, they don't have time to come together very often.

*Do you think the complexity of issues that are confronting government have become more difficult?*

**Jeff Kennett:** No, they're not more difficult. I had more difficulty sometimes in dealing with them, but, no, I mean, it's always going to be a changing mosaic of issues. They might be different, but they are not any more challenging than what we had before.

*Has the pace of the issues, how quickly they confront government changed, particularly in terms of the media?*

**Jeff Kennett:** Well, maybe. But it has always been changing. Just think of the impact of the telephone. The real issue is that politicians seem to spend more time on the radio these days trying to open and close bloody places than they do with administering their departments. You've got to spend time in the office behind a desk. I mean, why things get out of control? Why they don't pick up the phone into administration? Because they're never there, they're always opening or closing a dog show.

*Did you have much experience in terms of getting reform for a federation? Is it possible to do so?*

**Jeff Kennett:** When you're a Premier you're mainly dealing with your own backyard, aren't you? If you mean federation, things on a national level, no. The opportunity was very rarely there. We gave back our own industrial relations powers because we thought the country was too small to have eight different sets of it. No one else followed. So we tried, but no, we didn't succeed.

*Do you think the federation is divesting responsibilities in Australia?*

**Jeff Kennett:** Oh, I think what we've got at the moment is not what you'd have if you were starting, beginning from new. You know, you have two tiers of government, but we've got what we've got and to change it will be very, very costly and time-consuming. And you've got to ask yourself whether changing is worth the effort, and there is no guarantee of success.

*Do you think the role of public service has changed?*

**Jeff Kennett:** Not in a good way. If you go back far enough people in public service were secure in their jobs, they gave independent advice, they had tenure. Today they're all on contracts. As the size of the public service has grown beyond the capacity of the country to administer it, you've got more layers with responsibility in every department, so decisions get delayed.

Public service, as we know today, is a very costly and inefficient form of art.

They think that they're producing a wonderful outcome; they're producing a good opera; a wonderful picture – I don't think they are.

*Do you think introducing contestability into the public service would change the tenure issue, the capacity for public servants to give fearless advice?*

**Jeff Kennett:** It'll take a long time to introduce. It's good, the principle's right. But, you know, the best thing is to get in there and make the changes, get the respect of the public service and start working together. We had a lot of changes in the first 18 months, but after that we started working very well with the public service, those who remained. We invited them to be involved in the process to make suggestions, make changes, so it was a fairly open form of government.

*Do you think the shift from tenure to contracts has reduced the capacity of the public service to give fearless advice?*

**Jeff Kennett:** No, it shouldn't. But it depends on the individual. And it also depends on the environment in which they're working. Some public servants are motivated to do good work, some are not. Some allow their politics to dominate their thought process and their actions, some don't. So the public service is a bit of a cross-section of the entire community I suppose, in one sense.

*Do you think the quality of public service itself has any influence?*

**Jeff Kennett:** Well, I can't speak much about what's happening today because I'm not involved in enough, but we looked long and hard before we appointed heads of



our departments and we got the best from around Australia. We only retained two or three from Victoria from the former mob; the rest were new. Most of them were second-in-command in their departments elsewhere. We got them together, they were very committed, they performed well, the quality of the leadership was exceptional. Both in terms of running their departments, but also their contribution to the performance of government.

I used to meet every month with, what I call the 'Black Cabinet', so that was the senior public servants. We'd meet; they'd have a meeting under the auspices of my head of department, the head of the Premier's department, but I'd go home and spend an hour with them at least every month. I'd tell them "these are the issues, this is where we've got problems, what problems have you got out there?" We were all working very much together. Not because of the politics, but of actually delivering the things that were necessary to achieve our long term goal.

### *So you tried to instil that sense of teamwork with the public service as well?*

**Jeff Kennett:** We didn't try, we did. With the lower ones down the rank I used to go and walk the department every month. When a minister was away I often became the acting minister, so I'd go down and spend time in their department getting to know, getting to see, talk to them.

### *Is their merit or value in using the former consultative process like Green Papers and White Papers?*

**Jeff Kennett:** Not really. They all take time; I'd rather govern. I mean, you can sit any group of people around a table with having an ugly miserable discussion and come up with an outcome you can either accept or reject. But I normally think long enquiries are a waste of time and delay decision making. Henry Bolte always told me: "Never establish a committee unless you know the result beforehand." And I think that was bloody good advice. I think we only had one major enquiry into drugs and that was the only one we had.

### *You talk about the importance of governing, then – is that about making those day-to-day decisions?*

**Jeff Kennett:** Well, the day-to-day decisions are focused on the unexpected that happens in any period of time. But they should not divert you from the broader long term strategy. So the day-to-day issues are often not about the broader fundamental strategy.

You can try and consult, but it's often a waste of time, waste of effort, waste of energy. You're elected to govern – govern.

### *Could you talk about how the idea to amalgamate the local governments in Victoria was developed and how you went about prosecuting that reform?*

**Jeff Kennett:** It was part of our consideration during our period in opposition, that the form of government we had, local government, was 150 years old, so few things have changed in that period of time. Therefore we decided we needed to reform local government. We then decided, well, we've got several ways of doing it: we can do a

piecemeal, we can ask for voluntary amalgamations; or we can – as local government is a creature of state governments – we could simply legislate change, full stop.

Well, why did we have to do that, what do we have to do? The first thing is we have to decide on the boundaries. So we put in a little local government group headed up by Leonie Burke, one of our members, and she and the team went to work on it. And we re-drew the boundaries and then we said, all right, if we're going to re-draw the boundaries, how are we going to get the synergies through the amalgamation of councils? There's going to be a lot of hate calls when we sack all the councils, so we've got to have the boundaries in place first and then we're going to appoint commissioners.

So we then, in the preparation stage, re-drew the boundaries, identified the commissioners – two or three, but for each municipal area. And on one day we came out and said, "Right, we're going to reform. Local government councils will be abolished on first July, these will be the new boundaries", and then went to the commissioners.

### *What was the response from the local government?*

**Jeff Kennett:** Leaders didn't like it, councillors didn't like it, CEOs didn't like it, because we were going to go from 211 CEOs down to 76. So they all got very upset and started trying to conduct a campaign against us, but it didn't matter. We were so well organised. We were ready to go as soon as we announced it.

### *Were local governments able to do anything about it?*

**Jeff Kennett:** Well, they tried, but again, we weren't elected to please everyone, but elected to govern. We knew what we were doing was right, we knew it would stand the test of time, so get on and do it.

Right now in New South Wales they're talking about bloody amalgamations – it's not going to work. They tried to do it in Perth, Western Australia – it didn't work. They put in a shocking system in Queensland and now they're amalgamating five councils. One of the conditions of amalgamations in councils was no one was able to be sacked. And once the councillors heard that, and the public servants heard that there was going to be changes, they started changing their own employment contracts. So they rigged the system to death. None of that happened here in Victoria.

### *Would you suggest that governments should introduce a lot more reforms immediately rather than through consultative processes?*

**Jeff Kennett:** It depends on what the reform is. If you make a decision that you're going to make change, why do you then spend a year or two talking about it? Do it. Life's short.