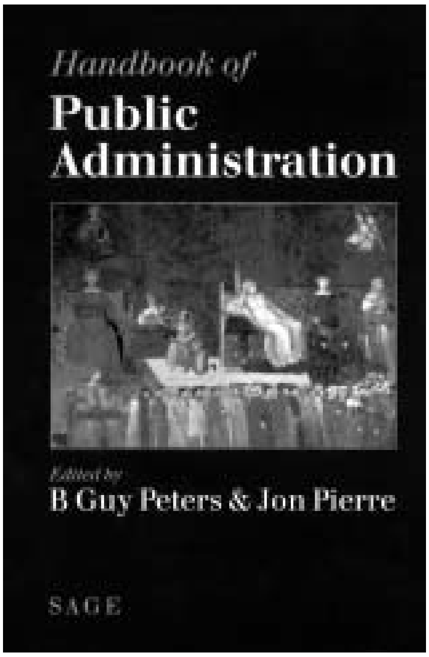
# Administration Handbook

B. Guy Peters & Jon Pierre (eds) 2003, *Handbook of Public Administration*, Sage, London, 640pp, ISBN 0 7619 7224 2, RRP$261.00 (cloth).



Clearly too expensive for most individual budgets, this major contribution to the field of public administration is nevertheless a key text that should be made readily available to all students, researchers and practitioners in the field. If your departmental or university library does not have a copy already, lobby them to get it in.

The importance of this wide-ranging collection of essays by many of the more eminent researchers in public administration lies not so much in the quality of the individual entries—although there are some very fine chapters here—as in the sheer breadth of coverage and the sense of active world-wide scholarship the reader can gain simply by working selectively through the book. At a time when there seems to be something of a sea-change in the 'feel' of public administration in Australia—characterised by serious debates and discussions about fundamental questions of the purpose, ethics and institutional importance of good management and leadership in the public sector—Guy Peters and Jon Pierre have edited a work that might give those in the field whose energies are flagging some idea of the global significance of the 'good government' enterprise.

Some statistics from the book might help to back up this claim. Filling around 640 pages, there are fourteen sections (ranging from the obvious, such as 'Human Resource Management' or 'Budgeting and Finance', to the more specific, such as 'Public Administration in Developing and Transitional Societies'), 49 chapters, written by 68 contributors from at least 17 countries. Only the Index seems to belie the scope of the work: at a mere twelve pages it is perhaps not comprehensive enough to be guide the more intrepid researcher.

It is not possible in a brief review to do a book of this size and scope true justice. There are, it must be admitted, some rather pedestrian chapters. Perhaps because of its subject matter and the wide ground he is covering, John M. Bryson's survey of strategic planning and management (pp. 38-48) is best described as 'worthy but dull', with some value for the student of comparative public administration, but little to offer practitioners seeking ideas as inspiration for their own organisations.

In some contrast to this, Robert Gregory's study of accountability in modern government (pp. 557-68) brings to what can also be a somewhat bland topic a liveliness born of a careful referencing to 'real world' cases and problems. His discussion of bureaucracy as perceived as an impersonal system—'the rule of Nobody'—is subtle and enlightening, especially in the context of outsourcing and contractualisation (pp. 561-62).

The selection of authors for a work such as this is always a difficult task.

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There are several familiar and prominent names (Halligan, May, Hallerberg, Lodge, deLeon, Radin) and many not so well known. But there are some absences that are moderately surprising. I would have expected to see at least one of the following: Lane, Rhodes, Mulgan, Wanna, Savoie, Aucoin, Lindquist or Kettl. But such matters are really a matter of taste, interest and opportunity and I do not detect any particular bias in the selection of authors.

A particular strength of this book is the way it is divided into fourteen thematic sections, pulled together by useful introductions for each section. These introductions are

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written by prominent academics in each field, including several European scholars not usually exposed to Australian, or indeed Anglo-Saxon, audiences.

This brings me to an important observation. Perusing Peters & Pierre's *Handbook* brings to light the European traditions of public administration, which still tends to hold fast to the Weberian ideas of administration as the application of law as an expression of the legitimate authority of the State. In contrast, the emphasis on administrative law reform that was so evident in Australia in the 1970s can seem a hazy memory, dimly perceived through the fog of managerialism, commercialisation and privatisation. It is perhaps an over-simplification to say this, but in many ways the Anglo-Saxon approach to 'New Public Management' has been (and continues to be) concerned primarily with the *how* of public administration, whereas the European stance is more grounded in the *why* questions—the questions of purpose and legitimacy of government.

For this reason, if no other, it behoves practitioners and students of public administration in Australia to read and reflect on the *Handbook of Public Administration*. Its value lies not so much in it being a 'Handbook—it is more a survey or study of current trends—as in its myriad windows into slightly different ways to view public administration. To continue the metaphor, this book allows the Australian reader to open the window and breathe in a little fresh air from the 'outside'.

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# Powerful Speech

James Curran 2004, *The Power of Speech: Australian Prime Ministers Defining the National Image,* Melbourne University Press, Melbourne, 314pp, ISBN 0 522 85098 7, RRP$35.00 (Cloth/Paperback not specified).

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The focus of Curran's book is how Australian Prime Ministers, particularly the five from Gough Whitlam onwards, have defined Australian nationalism in their public utterances. His thesis is that no stable national image has emerged to replace British 'race patriotism', which collapsed in the 1960s.

Curran's approach is to sketch the intellectual history of each of the Prime Ministers, seeking to establish a set of principles or coherent values which they brought to their leadership and then to analyse their statements to identify how they saw what it meant to be an Australian and what place Australia occupied in the world.

Consistent issues emerge as central to the shaping of the five Prime Ministers' views: the importance of the heritage of the Gallipoli campaign; the impact of multiculturalism; the defence and security relationship with the United States; and, at a less influential level, the treatment of Australian Aborigines.

The beginning of the end of Australia's Britishness is often traced back to John Curtin's statement in December 1941, as the Japanese forces swept through Malaya, that:

> Without any inhibitions of any kind, I make it quite clear that Australia looks to America, free

> of any pangs as to our traditional links or kinship with the United Kingdom.

Curran shows convincingly, however, that Curtin's subsequent rhetoric consistently reasserted Australia's Britishness. Menzies as Prime Minister had strong emotional ties to the Old Country. However, a series of changes in British policies, beginning with the UK's application for membership of the European Economic Community in the early 1960s and later their defence withdrawal from Asia, began to undermine 'the concept of Anglo-Australian mutual self identification and self-interest'. In addition, Australia's immigration policies incorporated increasing influence from non-British cultures.

Curran's analysis of Harold Holt's speeches demonstrates that he was never able to articulate the identity of this changing Australia. In an address at the International Expo in Canada in 1967 he was lamely only able to identify differences in flora and fauna as setting Australia apart.

By his own admission, Holt's successor John Gorton failed in his conscious effort to make Australians think of themselves as a unique and homogeneous people. A key feature of the nationalism sought by Gorton was his conservatism on immigration: he wanted to keep Australia predominantly white and its culture predominantly British.

Whitlam, argues Curran, maintained Menzies', Holt's and Gorton's admiration for British culture and institutions, but saw Australia as being more an 'international citizen' than a country defined by its special relationship with one or two powerful friends. A key emphasis for Whitlam was Australia's treatment of its Aborigines as a marker of the national image.

Malcolm Fraser emerges well from Curran's sketch of the development of his thinking. The statements cited reflect a strongly coherent view of Australia's place in the world. The thinking of Arnold Toynbee was consistently reflected in Fraser's view of the world: nations are challenged repeatedly and survive only if their citizens respond with discipline and determination. Like Whitlam, Fraser was an internationalist, but saw the British Commonwealth of Nations, rather than the UN, as the desirable focus.

Under Bob Hawke's Prime Ministership, a key change in debates about Australian nationalism was the strong focus on multiculturalism. This was the theme of the Australian Bicentennial celebrations in 1988 and Hawke also emphasised the need for just treatment of the Aborigines (although he also asserted that Australians should not feel guilty about past injustices to the Aborigines). Curran's analysis leads him to conclude that Hawke was 'much more amenable to the US connection' than either Whitlam or Paul Keating, the other Labor Prime Ministers in his survey.

Keating, writes Curran, was deeply influenced by the thinking of former NSW Premier Jack Lang and was the only Prime Minister to give expression to the 'radical nationalist' myth 'in which working class "true" Australians had been involved in a constant struggle with an Anglophile middle class to achieve Australian "independence"'.

Like all his predecessors studied in the book, Keating voiced great respect for Britain at times. However, during the Queen's visit in 1992, his speech in her presence asserted that Australia's place was in Asia and he failed to include the customary sentiments about the importance of British culture and institutions to Australia. Hot Parliamentary debate followed, leading Keating to return to the theme of Britain's abandoning of Australia during World War Two. Keating subsequently pursued the argument that Kokoda and not Gallipoli should be 'the epicentre of Australian nationalism'.

Curran draws out the importance of the Republican debate in crystallising politicians' views about their country's relationship to Britain. Although Keating toned down his anti-British sentiments for the debate, Curran considers that his 'bitter demonology' regarding the conservative undermining of the emergence of an unambiguous Australian identity remained strong.

Curran adopts a more judgmental approach in his chapter on John Howard's Prime Ministership, more strongly asserting inconsistencies and failures in conceptualisation than in previous chapters. For Curran, Howard's vision of Australia's character is inadequate because the Prime Minister can find no expression of the country's uniqueness other than 'mateship'.

Curran argues that Howard's thinking and rhetoric about the national image has turned the clock backwards. He cites statements which he says reflect Howard's discomfort with multiculturalism if it means a 'federation of cultures' rather than one Australian culture. Howard, more strongly than Fraser, defends the British heritage as essential to national cohesion and also defines the national interest as being 'first and foremost about cultivating a relationship with the US'.

*Powerful Speech – Continued from previous page*

As an analysis of rhetoric, Curran's book is very good. He is adept at tracking through the development of the Prime Ministers' thinking and in drawing out the full meaning of their statements on nationalism.

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However, what political leaders say in speeches and what they really think is not always consistent. As an example, while Whitlam may have highlighted the importance of just treatment of the Aborigines as a critical issue for Australia's image, the more important question for the researcher is what Whitlam's government was actually doing to improve the lot of Aborigines. Further, if you want to know what Australians have really thought about the essence of being Australian, sources such as personal diaries, Census returns or histories of opinion polling may be more revealing and accurate than Prime Ministerial speeches.

In this sense, Curran's book addresses only one element, and perhaps not the most telling or accurate one, of the important question: what does Australian nationalism mean?

Stephen Payne

# Informal Governance of the Union

Thomas Christiansen and Simona Piattoni (eds) 2003, *Informal Governance in the European Union,* Edward Elgar, Cheltenham, UK, 288pp, ISBN 1 84376 351 6, RRP£59.95.

The study of public administration has traditionally focussed on institutions, regulations and formal mechanisms for coordination and decision-making. Informal or 'soft' governance refers to the networks that stem from, and around, these formal administrative and legal structures. These networks are sometimes maligned by the proponents of formal processes for their ad hoc, unrestrained character. On the other hand, formal networks have come to rely crucially on personal relationships as a means of promoting the policy agenda. Unlike formal systems of governance, however, stakeholder relations and communications between agencies are difficult to systematically study and assess.

**These studies of informal governance provide both positive and negative lessons for state actors and Brussels' decision-makers.**

*Informal governance in the European Union* is a unique addition to both the European Union (EU) and public administration literature. It examines soft governance in several contexts and policy settings—improving EU democracy, an examination of 'state culture', the sources of EU fraud, the promotion of social agendas including biodiversity, the regulation of the European Single Market, the operation of the Common Agricultural Policy (CAP), and the success of European Monetary Union.

These studies of informal governance provide both positive and negative lessons for state actors and Brussels' decision-makers. Burkhard Eberlein notes the effectiveness of informal networks interacting with formal legal regulation. His case study of the electricity industry shows this mix has been influential in enhancing efficiency. But the effectiveness of non-elected officials exercising substantial powers comes at a cost to democratic legitimacy and procedural transparency. Further, informal networks often carry a policy bias which 'privileges certain worldviews' (p. 170).

Alex Warleigh argues that informal governance performs a crucial role in constructing the coalitions between actors that legitimise the EU and deliver policy outcomes. However, the coalitions are generally undemocratic in character and do not represent (or seek to elicit) popular preferences. Warleigh claims strong tension between the 'technocratic, elite-based ethics of integration' and 'the democratic ethics of participation' (p. 34).

The chapter by Jeanette Mak on the process of European Monetary Union (EMU) notes the eagerness of the European Commission to promote open public debate on EMU. This was important not only for gaining the participation of national representatives, but also for engaging with the public and for brokering concessions in the Stability and Growth Pact. Mak argues that 'for structural reform societal consensus is necessary: something that is more likely to occur in a cooperative structure with social partners' (p. 205).

The volume also stresses the power of culture and protest in influencing formal process and decisions. Roederer-Rynning's chapter on the CAP, for example, notes the influence of French farming protests in the 1970s that coincided with yearly price-setting negotiations. The French tradition of solidarity, the power of the French farming community and the key role of France in the EU, collectively influenced the Commission in its decisions on the CAP and the determination of the goods and activities deserving of subsidies.

Alison Woodward's chapter argues that the Union's social justice achievements have relied crucially on informal, personalized relationships. This partly reflects the fact that women's and social justice issues are marginal policy issues and therefore more likely to develop informal and unequally structured relationships. It also reflects the dominance of Dutch and Scandinavian women in these relationships and their criticism of the 'structuration of the policy field by the Commission' (p. 91).

**Informal governance in the European Union is an important contribution to a much-neglected aspect of public administration.**

Jenny Fairbrass' chapter on the role of informal governance in biodiversity protection emphasises the importance of relationships between nature conservationists and the Commission and more particularly, their 'common beliefs and shared commitments' (109). Fairbrass argues that this dialogue was crucial for the Commission to assess the degree of support for biodiversity regulations. 'If the hunters, gun clubs and forestry interests had been able to establish close relationships with the Commission and the Parliament, instead of environmental groups, it is less likely that biodiversity protection would have been built into the measures' (p. 111).

The volume concludes with a chapter by Daniel Wincott, which assesses the future contribution of informal governance to the legitimacy challenges faced by both national supranational institutions in Europe. Wincott argues that the EU's complex multi-level and multicultural quality means it is characterised by greater informality than traditional states. That said, informal governance in the EU is highly elitist, cocooned within 'euro-speak'. The EU's complexity also increases the opportunities for corruption and fraud and 'cross cultural misunderstandings about appropriate varieties of informality' (p. 229). Interestingly, Wincott argues that informal governance techniques have been increasingly adopted by the European Commission. The 'open method of coordination', for example, has been championed by the Commission as a complement to formal regulatory processes. Soft law has often been deployed to 'soften up' the member States for subsequent transfers of competence to the supranational level (233). Informal governance has an important role in involving and placating obstinate political interests.

Informal governance in the European Union is an important contribution to a much-neglected aspect of public administration. Its focus on key policy issues within the multi-level EU provides a wealth of insights, particularly the breadth of its use even within formal and highly institutionalised contexts. Perhaps a second volume on these issues might develop these ideas from a public administration---rather than a public policy---perspective. It would specifically address the conditions in which informal relationships thrive, the various types of networks that may emerge, the relationship between formal and informal networks, the influence of informal networks on policy outcomes and the potential for informal governance to involve ordinary citizens in the policy making process. It should sustain Christiansen and Piattoni's attention to both the analytical and normative aspects of informal governance. A study of this type is long overdue.

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Parliamentary Library

# Chequered Government

Management Advisory Committee 2004, *Connecting government: Whole of government responses to Australia's priority challenges,* Report of Management Advisory Committee, Australian Government, 254pp, ISBN 0 97510151 X, Available from the Australian Public Service Commission (www.apsc.gov.au).

Internal government reports on management issues rarely make scintillating reading. Self-censorship takes the edges off. Lack of clear focus on a target readership—or an attempt to address too many—blurs others. Homilies sprinkled with current buzzwords lurk behind what might appear to be statements of fact or descriptions of operating practice.

*Connecting Government* only manages to struggle clear of the limitations of the genre occasionally. Given that the subject matter is getting the act together (spare us the invocations of 'seamlessness'), it is a basic irony that the report comes over as put together by an interdepartmental committee. Or, to get the terms right, a 'Whole of Government Project Team'.

Behind the clear and consistent layout, with findings, summaries and checklists for each topic, the content, style and apparent underlying attitudes of the various chapters betray different authors—or maybe combatants—differing about what should be said publicly. For example, 'Information Management and Infrastructure' is more confidently didactic in running agendas about 'clusters', 'shared workspaces' and 'transaction manager(s)'. The chapter on 'Budget and Accountability Framework' has a rather proprietorial sermon on the clarity and flexibility of the current outcomes and outputs framework before allowing itself some mild observations about lack of flexibility and clarity for whole of government purposes.

Similarly, there are scattered commercials about the importance—or potential importance—of such entities as the Cabinet Implementation Unit, the Information Management Strategy Committee or the Government Communication Unit.

Unless you savour the delights of sniffing the trails of bureaucratic interplay, the best value is to go straight to Chapter 6 'Making Connections Outside the APS'. Despite its title, this is fundamentally an essay on the role of the APS in policy-making and implementation. Although there are a few genuflexions in the direction of politics and risk management, it is a fairly straightforward general walkthrough of the realities of what an engaged professional public service should look like. Together with nine rather summary case studies of more recent exercises in whole of government activities, this is the most consistent and constructive part of the report.

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Doubtless because they deal in the main with situations which are or have moved off the more established turf of APS institutions, and with newer initiatives by definition less owned by individual agencies, limitations, dead-ends and failures are acknowledged as well as learning from successes. The more genuinely community-based the initiatives, the more open and extended the material seems to become.

The case studies are presented mainly as tabulations of issues, responses and key learnings. In this form they are concise, generally clear and practically oriented. It looks as though they may have more to offer, and it would be a pity if more of the case study material—and grainier details of it—does not become accessible in the future, at the least for internal professional development purposes.

This is where audience comes into it again. Much of this material could be useful in introducing people to work in the APS, to first encounters with policy tasks, and to setting up or operating with cross-agency initiatives. But it is hard to see it cutting much ice in harder managerial or operating terms. Nor does it particularly impress as a piece of analytical writing, or something to spark wider interest.

Looked at as an artefact or by-product of a more robust and sustained effort towards collaborative government, there is more to be said for it, perhaps as a snapshot of what can currently be negotiated through upper reaches of the APS on collaborative government.

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From that point of view, a disconcerting aspect is the low level of familiarity assumed in the report with the issues and the quite accessible practitioner and academic literature associated with an engaged, networked, collaborative professional public service. Similarly, while Chapter 6 promotes a networking approach, passages elsewhere in the report, such as Chapter 1 on the 'Whole of Government Challenge' or Chapter 3 on culture and capability, are more tentative and talk about this as a 'new challenge'.

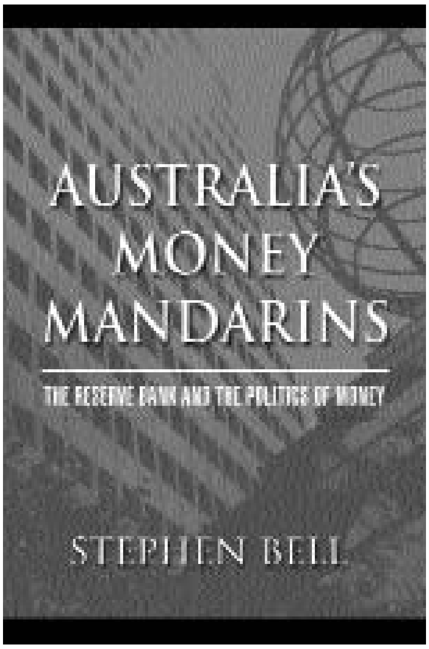
More positively, the features of the new culture and methods which are advocated look most appropriate for a public service dedicated to serving the public to best effect. But has it taken so long for them to re-emerge from the pages of the Coombs Commission report of the 1970s, or the achievements of the wave of government reforms of the 1970s and 1980s, picked up a little behindhand in the APS? Has Canberra failed to engage with its constituent communities, or have the more recent preoccupations with large departmental silos and the pre-eminent role of secretaries unravelled advances made before? Does the APS need to start the 21st century by revisiting some of the basics developed in the 20th?

In the preamble to the terms of reference for the project group it is says: 'The whole of government experience across the APS to date may be described as chequered, with instances of complete and partial success.' That is certainly reflected in this report. There is plenty needing to be done.

Bruce Guerin

# Money, Politics and Intrigue in Martin Place

Stephen Bell 2004, *Australia's Money Mandarins: The Reserve Bank and the Politics of Money,* Cambridge University Press, Victoria, 238pp, ISBN 0 521 83990 4, RRP$59.95 (Cloth).


AUSTRALIA'S MONEY MANDARINS
THE RESERVE BANK AND THE POLITICS OF MONEY
STEPHEN BELL

Stephen Bell, of the School of Political Science and Political Studies at the University of Queensland, takes us into the intricacies of the relationships between politics and economic management. His book can be read from three perspectives-—institutional economics, economic history and macroeconomic theory. And perhaps it can also be seen as a set of biographies of the main characters in the Reserve Bank and Treasury—institutions which often present an impression of monastic exclusion to scrutiny.

First, it is a thoroughly researched work on institutional economics—a neglected field in Australia where universities tend to classify 'economics', 'organisational behaviour' and 'politics' into separate disciplines. In transcending these artificial boundaries Bell provides insights into the decision-making process and relationships within the Bank, and among the elected and appointed officials who have a stake in monetary policy.

For example, he takes us through the complex relationship between Paul Keating and his appointed Reserve Bank Governor, Bernie Fraser. Keating was unenthusiastic about delegating power to the Reserve Bank. With the benefit of hindsight it was clear to Keating that monetary policy had been too

*Money, Politics and Intrigue in Martin Place* – *Continued from previous page*

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tight in the late 1980s (remember those 18 percent nominal interest rates?), and, as a result, the 1991 recession—'the recession we had to have'—caused much more pain than was necessary. Keating feared that those who would wreck the economy in order to suppress inflation would dominate an independent Bank. But, in a process involving a great deal of bluff and posturing, which Bell describes in detail, Keating did make that delegation; a delegation which was to be formalised in the Howard Government's 1996 *Statement on the Conduct of Monetary Policy*.

Second, thanks to his extensive research, drawing both on published material and interviews with former and present senior officials, Bell has written a short history of economic policy in Australia over the last sixty years. For those who have forgotten the economic turbulence of the seventies, it is an excellent summary of the problems faced by the world governments (including the Whitlam Government in Australia) when the Bretton Woods postwar order collapsed.

Economics lecturers and financial analysts usually summarise this history as one of a move from detailed quantitative controls on lending to one where the Reserve Bank was left with one large, powerful lever: the price of funds on the short term money market. Financial market deregulation and the resulting profusion of financial innovation rendered ineffective the Bank's quantitative controls (M1, M2, M3 and cross-subsidised housing finance to name the main concerns of the time).

Bell examines this transition in detail, pointing out that following financial market deregulation, monetary policy was moving into uncharted waters. There were no dramatic policy changes; rather it is a story of slow, incremental change, with a great deal of experimentation and negotiation along the way. While the Reserve Bank clearly has control of consumer inflation as its primary objective, it still has a deal of flexibility, reflecting its inheritance of a broad charter to be concerned with economic growth and unemployment as well as price stability. Australia's Reserve Bank has not been sent down the New Zealand path of a single inflationary objective.

Unlike hardline monetarists, Bell gives credit to the microeconomic reforms which have contributed to lowering inflation, such as the Hawke Government's wages policies, technological changes, and the general deregulation of product and service markets. He sees the task of monetary policy as locking in low inflation, rather than as being the sole instrument to suppress inflation.

Third, this is a work of economic theory. It is an excellent work for any student of monetary policy. The reader is presumed to have at least a basic knowledge of monetary and fiscal policies, and their relationships, but Bell takes the reader much deeper into theory, particularly in his chapter 'RBA Independence—Why?'. For example, citing empirical research, he demolishes the myth that there is a causal relationship between Reserve Bank independence and low inflation. Rather, the case for independence rests on the need for the central bank to establish credibility with financial markets. Credibility, Bell points out, is earned by a track record of behaviour, not by charters or pieces of legislation.

That credibility is revealed in some of the conflicts the Reserve Bank has had with governments. For example, Bernie Fraser waited until after the 1996 election to reduce interest rates---a decision which didn't go down well with Keating. And when the Reserve Bank raised interest rates in 2000 it came in for strong criticism from the Howard Government. The Bank's latest suggestion in its August 2004 *Statement on Monetary Policy* that 'it would be surprising if Australian interest rates did not have to increase further at some stage in the current expansion' has probably not been pleasing to a Government facing a tough election.

Such conflicts may provide an impression that government policies are inconsistent, or that monetary and fiscal policies are misaligned, but they actually serve to strengthen the credibility of the Reserve Bank. That credibility is particularly important because of the strength of informal relationships between the Reserve Bank and Executive Government, and the unusual situation of the Treasury Secretary being an *ex officio* member of the Bank's Board. (The only other country Bell found to have the Treasury head on the board is Fiji.) The Reserve Bank's independence is not enshrined in legislation.

This book concentrates on monetary policy and the Bank's task of setting the cash rate (the interest rate paid by banks on overnight unsecured loans). On reading this work one may ask what the 820 Bank staff and its board members do on the 354 days of the year when they are not deciding what to do with the interest rate lever. Bell mentions these functions only in passing—the Bank's broader mandate for financial stability, its relationships with international agencies, its technical functions (e.g. note printing) and its publications on financial developments. For example, while the Bank has no formal mandate to consider asset price inflation (Bell outlines some of the conceptual and technical difficulties such interventions would encounter), it has been very influential in its staff publications. It has issued warnings where warnings are due (e.g. in relation to the property boom) and has calmed fears when pessimism has gripped financial markets. These are all important and influential aspects of the Bank's work, even if they do attract much less attention than moves in interest rates.

A work which relies heavily on interviews with senior managers, treasurers and prime ministers tends naturally to focus on the most salient concerns of those parties, and often overstates the extent to which those individuals are in control of their organizations. This focus is not unique to Bell's work; there has been a tendency over the last thirty years to concentrate studies of organizations on the CEO and his or her close contacts, while overlooking the influence of other staff and the retarding force of legacy. Have Governors such as Fraser and Macfarlane taken over steering the ship, or have they learned from the crew how to keep the ship running smoothly, while slowly changing its direction?

**Credibility, Bell points out, is earned by a track record of behaviour, not by charters or pieces of legislation**

We will be in a better position to answer that question when we next encounter a financial or economic crisis. Over a run of twelve years of strong economic growth and low consumer inflation we have not had to face hard macroeconomic choices, and it could be claimed that the Reserve Bank has had an easy run. Bell's final chapter outlines some of the emerging economic pressures in Australia, and his concluding page carries a warning:

> The current problems of burgeoning debt and asset price inflation (in Australia in housing) can be seen as a re-run of the late 1980s. It marks a new chapter in the continuing dilemma and controlling credit and asset prices in a deregulated environment.

Is the Reserve Bank moving once again into uncharted waters?

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# Mintzberg on Strategic Planning

Henry Mintzberg 1994, *The Rise and Fall of Strategic Planning*, Prentice Hall, London, 458pp, ISBN 0 273 65037 8, RRP$79.95 (paperback).

As the title may suggest, this is not a book on the 'how to' of strategic planning. It is an in-depth study of strategic planning, its history, its successes and its failures. This book also looks at the relationship between planning and strategy. In fact, it is this relationship that is the main focus of the book and Mintzberg's position is that planning cannot possibly identify and develop strategy.

I must admit that it is this aspect that first drew me to this book. I have always wondered why something as logical and rational as planning has not been adopted more wholeheartedly by senior

*Mintzberg on Strategic Planning – Continued from previous page*

managers to help guide organisations. Mintzberg explains that planning is about collecting and analysing 'hard' data against a predefined decision framework. This process should help senior managers make the 'right' choices and guide organisations through the minefield of an ever changing environment.

In the author's words:

> Planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decisions.

However, this is the antithesis of strategy making which Mintzberg sees as:

> … an immensely complex process involving the most sophisticated, subtle, and at times, subconscious of human cognitive and social processes. We know it must draw on all kinds of informational inputs, many of them non-quantifiable and accessible only to the strategists who are connected to the details rather than detached from them.

Definitions are important to Mintzberg. As outlined above, he takes time to clearly define planning and strategy and has the discipline to stick to these throughout the book. This allows for a structured discussion and informed argument on strategic planning.

**. . . an in-depth study of strategic planning, its history, its successes and its failures.**

There are six chapters in this book. The first four chapters present a comprehensive history of the development of strategic planning. If nothing else those of you interested in learning about planning, strategy and the relationship between the two should read this part of the book. What is also clear from reading through these chapters is that Mintzberg is extremely knowledgeable and well read on the subject matter: there is a 26–page Reference section at the end of the book that supports the author's claims.

I must agree with the author that the real heart of the argument is contained in Chapter 5–Fundamental Fallacies of Strategic Planning. In this chapter Mintzberg puts strategic planning under the microscope and addresses what he believes to be the 'fundamental fallacies of strategic planning'. Read this chapter if you or your organisation is struggling in an uncertain environment and are looking towards strategic planning as a way to reduce some of these uncertainties.

Mintzberg states that he has written Chapter 6 'especially for planners and for people who work closely with them'. It presents a new role for planning, plans and planners: one which sees planning as a support for the strategy-making but not as a way of identifying or developing strategy.

The blurb on the back of the book claims that 'this book is essential reading for anyone in an organisation who is influenced by the planning or strategy-making process. It is also suitable for undergraduate and postgraduate students undertaking corporate strategy, strategic management and business policy courses.' I would go further and say that this book is essential reading for anyone in a position to influence or involved in planning or developing strategy.

Steve Pantelidis

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# Do We Understand Our Neighbours?

Nick Knight 2004, *Understanding Australia's Neighbours: An Introduction to East and Southeast Asia,* Cambridge University Press, Melbourne, 248pp, ISBN 0 521 54941 8, RRP$47.95.

For anyone who is ever reminded of where Australia sits in the world, it has been hard to understand the decline in Australia's public interest in Asia over the past six or so years. At a time when we need to know more about our neighbours, for security as well as economic reasons, there is less official support for study and research and waning interest by students. Despite this, committed scholars continue to push public understanding, establishing a base from which renewed public interest will inevitably come. In this respect, it must be remembered that Asia's proximity to Australia is a geographic, as well as economic and strategic reality.

Into this fray, then, comes *Understanding Australia's Neighbours* from Asianist stalwart Professor Nick Knight. Knight has been an important contributor to Australian study of Asia for many years and this book is a product of that considerable experience.

It used to be a common practice for academics to develop courses which, with enough detail, they would turn into books. Such books serve to encapsulate a coherent body of knowledge, to function as a standardised text for students interested (or required to read) in the subject, and to provide an insight into the subject area for non-academic audiences. Knight seems to have done just this with his new book, as it appears to be precisely what such a book would look like if written by someone who teaches an introductory course in Asian Studies, as he does.

The three tell-tale signs of the book's origins are the simple and accessible writing style, the grouping of the subject by themes, and not least that it is divided into twelve chapters which perhaps more than coincidentally correspond to the standard teaching semester. In the books that have been written on the region, there has been some debate over structure, primarily between themes versus country studies.

Themes work better for a book addressing a larger number of countries, and perhaps even a combination of both works best for those that address a smaller region. If there is one problem with themes, it is that they tend to offer the grand sweeping vision, which sometimes loses specific detail.

In discussing Australia's 'neighbours', Professor Knight excludes South Asia and Central Asia. Incorporating these areas into Asian Studies has long been a moot point, not least reflecting the somewhat arbitrary nature of what Asia is and where it begins and ends, which Knight discusses with some authority. He argues for East Asia and Southeast Asia as his focus based on a higher degree of commonality and of relevance to Australia. It is difficult to disagree on the latter point, but the exclusion of South Asia—India etc—appears otherwise a decision of convenience.

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Interestingly, in arguing for some commonality—'regional character' (p. 18)—between East and Southeast Asia (which he does qualify), Knight ensures that readers are not left unaware of the differences, including within the regions. Indeed, it would be difficult to overstate the plurality of cultures within these parts of the world.

For a China specialist, Knight's grasp of Southeast Asia is good, but there are inevitably minor slips. The non-tonal Khmer language is not related to the tonal Vietnamese (p. 16) and there were not 300 plus states in pre-colonial Indonesia. Cultural groups, yes, but only a handful of political entities that extended beyond the expanded village model or kinship group. One might have also thought that Knight could pick up on the historical relations and animosities between China and Southeast Asia, as per historian Martin Stuart-Fox, to better explain their evolving relations. In this Knight seems to neglect the ideological and diplomatic ties between the Khmer Rouge and the Chinese Communist Party that both pre and post-dated Democratic Kampuchea of 1975–79 (pp. 125–6).

But these quibbles do not detract from Knight's overall grasp of the subject and in particular his real strength in discussing the rise of nationalism, the Cold War, economic development and the globalising agenda, which might be said to include democracy and human rights.

Where Knight addresses contentious issues, of which there are many, he presents cases both for and against and generally refrains from drawing conclusions. This is the ideal model for students and allows other readers to make up their own minds. But one is sometimes left feeling that he is putting cases because they have been put by others, somewhat regardless of the logic of or evidence for such arguments. This applies to the democratisation and human rights debate in particular, and the countervailing 'Asian values' paradigm.

Put another way, this is the contest between positivist and relativist understandings of political organisation, and while cases for each can be put, it is important to examine the motives of those putting them. Too often the debate is reduced to external imposition

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and internal defence of culture or tradition. Neither is particularly helpful, as Knight in part acknowledges

As a good Australian 'Asianist', Knight throughout does not forget that, like himself, his intended audience is Australian, and concludes with a chapter on 'Australia and Asia'. If this can in any way be understood as slightly parochial, it is so for the very best of reasons – 'Asia' is deeply important to Australia and its future. It is scholars such a Knight, and books such as this, that continue to remind us of that inescapable conclusion.

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# Australian Statistics: Comparing the Measures

Rodney Tiffen and Ross Gittins 2004, *How Australia Compares,* Cambridge University Press, UK, 282pp, IBSN 0 521 83578 X, RRP$49.95.

The Australian Bureau of Statistics, 2004, *Measures of Australia's Progress 2004,* Catalogue No 1370.0, 21 April, 187pp, ISSN 1445-7121, RRP$45.00.

If you are bored by statistics, these books are certainly not for you. On the other hand, if you enjoy remembering and recounting interesting titbits of information about Australia's relative standing on a vast array of topics, you will relish what they offer. A more serious use of the two publications is to provide invaluable benchmarks for assessing how well Australian public policy is performing.

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The entire focus of the *How Australia Compares* is Australia's rating compared with other countries in relation to many aspects of life that have available measures. The reference point is the 17 other high-income OECD countries and the end data point is most often the year 2000. The broad subject headings are: people, government and politics, the economy, work, government taxes and spending, health, education, inequality and social welfare, international relations, the environment, science and technology, telecommunications and computing, the media, family, gender lifestyles and consumption, crime and social problems and finally, religion, values and attitudes. Under each of these headings, the list of subtopics can vary from 2 to 12 or so.

Rod Tiffen (University of Sydney) and Ross Gittins (a Fairfax journalist) present and comment on some 391 tables in all, with most tables having more than one column offering time series data or more than one indicator. The structure of the book is tables on one side of a double page and exposition of the finer points of the data on the right hand side.

Tiffen and Gittins focus in their commentary on the particular tables under discussion with only a small amount of cross-referencing to other tables presented elsewhere in the book. As such, the end product is highly valuable as a desktop reference, useful for a quick check of Australia's relative ranking in relation to most issues related to public policy. What is missing is an overview of how well Australia performs and where its institutions are found wanting compared with other wealthy countries.

In relation to areas where public policy could make a difference, I counted up 59 incidences where Australia's rank is among the bottom three of the 18 countries.

These range from economic indicators such as net savings to the youth share of unemployment, days lost in industrial disputes, deaths from circulatory diseases, the secondary school completion rate, preschool enrolments, income inequality and relative poverty measures, particularly in relation to the elderly.

On at least eight measures related to the environment, Australia also comes at the bottom of the rank order. Emerging health issues such as male and female obesity measures show Australians rank second to the USA. Alcohol and tobacco consumption rates of Australians are still among the highest of the OECD countries.

Two tables stood out for me. One is related to young deaths from misadventure. For the period 1955 to 1994, suicide, homicide and car accidents for 15 to 35 year olds in Australia resulted in the third highest death rate of the 18 OECD countries. The second is the lack of confidence Australians express in their public institutions.

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Australians' mean level of satisfaction in relation to nine institutions (police, legal system, armed forces, companies, church, civil service, parliament, trade unions and the press) placed it at the bottom end of the spectrum. As Tiffen and Gittins note: this position in the rank order is in the same group of countries as the defeated powers of World War II: Germany, Austria, Italy and Japan.

The ABS entitled *Measures of Australia's Progress 2004* is a more up-to-date source of statistics on Australia related to public policy outcomes. The end data point is 2002 or 2003. This version of an earlier experimental report is now to become an annual publication. The 2004 report has more focus on issues related to governance, democracy and citizenship, social cohesion (families and communities), financial hardship, the environment, and productivity.

However, unlike *How Australia Compares,* the ABS focus is almost entirely internal noting only changes over time within Australia. There is only a five-page section on progress indicators in other countries, listing 11 issues for comparative ranking, although other analysis makes some reference to international comparisons e.g. student literacy scores. The lack of international comparisons greatly undermines the value of the ABS effort for policy purposes. It does beg the question of whether the ABS is too close to the machinery of government to produce something that can act as a critical feedback loop for policy makers. The ABS would, I believe, serve the body politic much better by contracting this work out to an independent body to do the analysis.

Richard Curtain

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# Strategy Maps: A New Twist on a Familiar Theme

Robert S. Kaplan and David P. Norton 2004, *Strategy Maps: Converting Intangible Assets into Tangible Outcomes,* Harvard Business School Press, Boston, Massachusetts, 454pp,
ISBN 1 59139 134 2, RRP$59.95 (hardback).

In this, the third of the Balanced Scorecard series, Kaplan and Norton offer a more detailed explanation of how to illustrate the organisation's action plan and strategy, incorporating the scorecard. That, in essence, is the strategy map.

For those who see the Balanced Scorecard as a useful technique for defining and presenting a set of integrated indicators, the book helps to explain and apply a more integrated, strategic approach.

For the sceptics, this book will do little to convince them that the Balance Scorecard is the answer to better management and performance measurement. They may find it interesting to read how the authors have interpreted and incorporated recent developments in management and organisational theory and practice.

Academics and practitioners may be curious to see the evolution of thinking and learning by Kaplan and Norton and users of the

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technique. In the first book (*The Balanced Scorecard,* 1996) the scorecard was a simpler monitoring tool, taking account of financial, internal, learning and growth, and customer perspectives. In the second book *(The Strategy Focused Organisation 2000)* the authors showed the flexibility of the approach in redefining the four, and sometimes more, perspectives as well as attempting to position the scorecard at the heart of strategic planning. They also demonstrated the use of multiple vertical and horizontally aligned scorecards into a strategic framework.

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In *Strategy Maps* Kaplan and Norton try to respond to criticism of the technique, for example, that the technique is too complex, requiring too many indicators, is hard to explain and link to strategy and, conversely, that it is too limited in scope, focuses on short-term, quantitative goals and does not address longer-term outcomes.

The book incorporates the scorecard into a wider set of management support tools, for example, 6 Sigma, Total Quality Management, Value Chain Analysis, Activity Based Costing/Activity Based Management, risk analysis, Customer Relationship Management, Human Capital Management, Knowledge Management and the concepts of strategy integration and alignment. It provides more detail than the previous volumes on how the four basic scorecard perspectives can be interpreted and linked to a more holistic approach to management. However, it leaves the reader wondering whether the Balanced Scorecard itself is a necessary component when the strategic management methodology is stripped down to the essentials.

In addition to its links with other tools, *Strategy Maps* draws on some recent conceptual developments in the evolving management literature and practice, such as recognition of regulatory, environmental and social processes as key elements of strategy and value creation. There is a strong emphasis on intangibles, as the sub-title of the book suggests, including the roles of information and knowledge management, organisational culture and leadership, and strategic human resources management as key drivers for improving results.

The book contains interesting discussions of innovation models and stakeholder management as well as a method for measuring intangibles using assessment of 'readiness', or capability, to be applied to key processes. Those aspects of the model were not particularly convincing, but may provide stimulation for further development by some practitioners.

*Strategy Maps* presents a variety of strategic scenarios and operational processes in terms of the maps, scorecards, goals and targets. Examples of strategy maps are used extensively throughout the book. For visual people this could be very useful, but others might not find them particularly illuminating as the maps are generally complex diagrams of arrows and geometric shapes with scant explanation.

As in previous Kaplan and Norton books the case studies are most often large, diversified, multinational businesses. However, this is not exclusively so, and there are, for example, some interesting public sector and non-profit examples towards the end of the book, but no Australian case studies.

Readers may be interested in the US Army strategy map and the UK Ministry of Defence and perhaps could compare it to Australia's Defence department scorecard. Other public sector examples include the Royal Canadian Mounted Police, the Economic Development Administration from the US Department of Commerce and Fulton County School system. Non-profit organisations included in examples are the Boston Lyric Opera and Teach For America. These examples illustrate the diversity of countries, size, scope and nature of government and functions to which the Balanced Scorecard methodology has been applied.

Performance management practitioners would probably prefer to see more detail on specific indicators, measures and targets, and rigorous assessment of the relationship between the technique and positive results. This would have helped to bolster the credibility of the technique and clarify how well the scorecard contributes to results.

Nevertheless, there is an expanse of interesting and new information in the book that should help people to understand and apply the Balanced Scorecard to strategy more effectively than the previous volumes in the trilogy.

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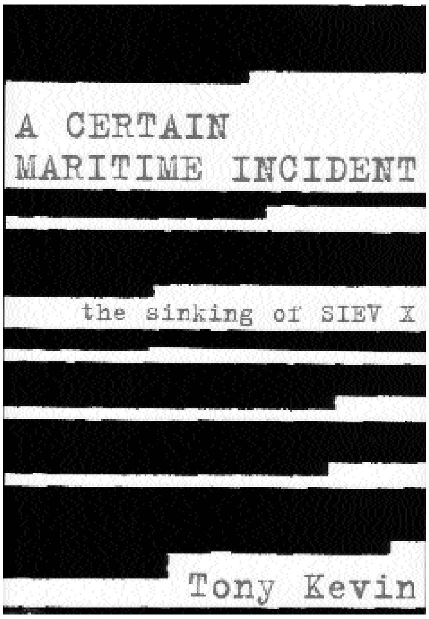
# SIEV X and Public Ethics

Tony Kevin 2004, *A Certain Maritime Incident: The Sinking of SIEV X*, Scribe Publications,
Carlton, Victoria, 257pp + appendices, notes, dramatis personae, glossary & abbreviations,
ISBN 1 920769 218, RRP$32.95 (paperback).

Despite its title and content, this book is actually about the place of morals and ethics in public policy and administration. Put simply, Tony Kevin objects to the apparent immorality of the Commonwealth Government's immigration policies and its alleged unethical behaviour in failing to prevent the deaths of 353 people in October 2001. He decries the 'Howard government's manifold cruelties to boat people', condemns the 'iniquitous temporary protection visa system' and claims Australia's involvement in the War on Terror has 'led to the undermining of the nation's civil liberties and multicultural values'. In chastising the Coalition for its approach to refugees and illegal immigrants and its attitude to their acceptance or apprehension, Kevin claims the sinking of SIEV X ('Suspected Illegal Entry Vessel', with 'X' denoting unknown rather than number 10) is Australia's equivalent of the Nixon Administration's 'Watergate' conspiracy. More disturbing, he claims that the 'cover-up continues to this day'.

The circumstances surrounding the sinking of SIEV X can be quickly recounted. A small unseaworthy boat left an Indonesian port in southern Sumatra on 18 October 2001 and sailed into the Sunda Strait bound for Christmas Island. Crowded on board were 421 people originating from the Middle East who had paid large sums to the 'people smuggler' Abu Quassey for passage to Australia. Several days prior to SIEV X putting to sea, intelligence sources had reported the 'imminent' departure of three vessels from Indonesia for Christmas Island. The information conveyed on the time and place of their departure was, as usual, inaccurate and imprecise. In the case of SIEV X, Australian Coastwatch was advised that this particular vessel was expected to depart, or had departed, from a number of different Indonesian ports on four different dates in the month of August, within a seven day block in September, and on five separate dates in October. SIEV X stalled and then sank in international waters on the afternoon of 19 October 2001. A total of 353 people perished. Some survivors were recovered by an Indonesian fishing vessel and taken to Jakarta.



The policy and political question this tragedy raised was: could Australia have prevented the sinking or, at the very least, rescued the victims?

As part of Operation Relex, a comprehensive maritime surveillance operation in Australian and international waters between Java and Christmas Island that had been mounted to detect and intercept the people smugglers' vessels, RAAF P-3C Orion aircraft were conducting nearly continuous flights of 4–5 hours duration throughout the 440 kilometre by 280 kilometre surveillance area. *HMAS Arunta* was patrolling closer to Christmas Island. The ship and its embarked helicopter were ready to intercept vessels identified by the P-3Cs as they approached the contiguous territorial waters zone which was 24 nautical miles from the Christmas Island coastline. This surveillance and interception operation continued from 17 to 23 October. As *Arunta's* helicopter was unserviceable on 19 October, an additional Orion flight was launched. The aircraft was in the air from 1644 to 2115 (Christmas Island local time) and was to cover the area that would have been patrolled by the helicopter. Due to poor weather that degraded radar performance and required close track spacing, the flight consumed more fuel than normal. After searching the Southern areas of the Operation Relex zone, the Orion had insufficient fuel to cover the lower priority Northern segments of the area. Earlier in the day (0900-1030), the standard Orion flight had covered the

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North-West and North-East search areas in similar poor weather conditions.

None of the four surveillance flights flown in the period 17–19 October detected SIEV X. No distress messages were ever received by Australian authorities and nothing in the intelligence summaries justified changing the standard surveillance regime. An Orion flew over the area where SIEV X may have sunk the next day but did not detect anything of concern. The prevailing weather was not generally conducive to maritime patrol activities. In any event, the area in which SIEV X sank was well within the internationally designated zone of Indonesian search and rescue (SAR) responsibility. Although Australian ships and aircraft were in the general area as part of Operation Relex, and would obviously have helped if they had known of the sinking, neither the ships nor the aircraft had any responsibility for pre-emptive, reactive or actual SAR in the waters where SIEV X most likely went down.

Prior to Tony Kevin's claims concerning SIEV X the Australian Defence Force (ADF) had never been accused of failing to rescue seafarers in distress. Indeed, Australia had gone to great public expense to rescue round-the-world sailors Tony Bullimore and Thierry Dubois several years before in the Southern Ocean because they were in Australia's zone of SAR responsibility.

It was only after SIEV X sank that Coastwatch received information suggesting that a distress situation was developing. The Department of Defence first knew a boat had definitely sunk from reports on 23 October after survivors from the ill-fated vessel had been landed in Jakarta. Subsequent claims by survivors that two, possibly naval, ships with searchlights illuminated the waters before their recovery led to ill-founded accusations that the RAN had callously ignored the plight of these most unfortunate people. These were discounted when the Navy pointed out that the nearest ship *(HMAS Arunta)* was 230 nautical miles away. This was the first of many allegations that Australia was complicit or even responsible for the tragedy.

Tony Kevin, a former Australian diplomat and public servant, has been the most public and vocal advocate of those lost in the SIEV X sinking. By his own admission, it has become a crusade for justice thwarted by the absence of information and the refusal of Australian and Indonesian authorities to release all documents in their possession relating to SIEV X. *A Certain Maritime Incident,* according to the publisher's blurb, 'joins the dots for the first time to reveal a disquieting record of government misconduct'. Convinced that the Australian Government knows much more than it is willing to admit, Kevin argues that 'nothing less than a comprehensive judicial enquiry into the sinking of SIEV X will suffice if Australia is to regain its national honour'.

But there is a fatal flaw in Kevin's approach to this tragic event. It is disclosed in the preface. In the absence of 'whistleblowers or a judicial inquiry', in piecing together the story Kevin has relied 'on the method of adducing the highest-probability hypotheses that best explain the accumulations of facts that cannot reasonably be explained in any other way'. I accept the validity of the first part of his approach but would strongly resist the second. While his account is an attempt at finding the 'best fit', he is not entitled to claim that it is the only account consistent with the facts.

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There is too much surmising, assuming, postulating, conjecturing and guessing in Kevin's account for him to exclude more benign and less controversial explanations of what occurred. Some of what he claims to be evidence is mere journalism. Kevin quotes stories compiled by journalists and assumes they are accurate, although there is no evidence that he questioned the journalists—especially the *Australian's* Don Greenlees—on the veracity of the sources on which the first reports of SIEV X's sinking were based. When I read the initial press and other reports of the tragedy, I can readily detect the existence of hearsay and rumour mixed with genuine recollection and verifiable fact. This is not surprising. Little was known of the vessel, its crew or the passengers. Language and translation difficulties must also be assumed. I would fully expect to encounter the differences in accounts noted by Kevin but would not attribute anything necessarily sinister to those differences.

**I am afraid that in the case of SIEV X, we might be confronted with the unknown and burdened with the unknowable.**

Kevin also makes much of where SIEV X sank in an attempt to bring shame on the Australian Government and on the ADF in particular. He notes that several positions for the sinking were reported but settles on the location recorded by the Jakarta harbour master as the most reliable. But why? I am not convinced of the accuracy of this position—7° 40' 00"S and 105° 09' 00"E—for two reasons. First, it appears to me that both the latitude and longitude have probably been 'rounded-off' to the nearest minute of arc, as neither position includes any seconds. Second, there is no record of how the boat that recovered the survivors, the Indah Jayah Makmur, fixed the position of the sinking. It could have been with the global positioning system, radar, celestial navigation, or by mere estimate. Until we know how the position was fixed, it cannot be established as the actual location of the sinking. Defence is, therefore, quite entitled to maintain that it cannot determine with accuracy where SIEV X went down. But the crucial point must again be made: Australia did not have any SAR responsibility in the waters where SIEV X sank regardless of the fact that it was being patrolled as part of Operation Relex.

It is quite misleading to say, as Kevin does, that the various possible positions for the sinking 'fall technically within a notional Indonesian search-and-rescue zone'. There is nothing technical about the position or notional about the zone and its obligations. SIEV X sank in an area where Indonesia had formal SAR responsibility. Australian ships and aircraft could (and certainly would) have engaged in search and rescue if required. The mere conduct of Operation Relex did not transfer SAR responsibility from Indonesia to Australia. And yet, Kevin nonetheless wants the Commonwealth Government and its agencies to accept some blame. This is unjustified and unfair.

As Dr Allan Hawke, the then Secretary of the Department of Defence, stated in September 2002:

> … there is nothing, I repeat, nothing, that Defence could have done in relation to the tragic fate of SIEV X. At the time, Defence had conflicting reports of departure, ports and times and no information that SIEV X was in distress, let alone the locality of where it sank.

In the absence of anything other than media reports and inconsistent survivor statements, Dr Hawke said 'the reputation and integrity of Australia's Defence Force and the Government that directs it have been impugned' by the kinds of allegations Tony Kevin and others have made. I do not believe it is proper to speculate when such speculation affects an individual's professional reputation or their good standing in the community. As someone personally acquainted with Admirals David Shackleton, Chris Ritchie, Geoff Smith, Raydon Gates and Marc Bonser, I believe they have every right to feel aggrieved at the manner in which Kevin has constantly impugned their character and questioned their integrity. This does not help his campaign on behalf of the SIEV X victims.

Kevin should also acknowledge that some of his supporters are vehement opponents of the Howard Government and cannot reasonably claim to be unbiased observers. They desperately want to believe that the Government was complicit because they want to harm the Coalition's credibility in the electorate. This is not to accuse them of fabricating or distorting evidence. But it is to say they are more likely than not committed to the most adverse view of any event when it comes to interpreting matters relating to Coalition policy. Nor is Kevin's case helped by his declared disappointment with the conclusions contained in David Marr and Marian Wilkinson's *Dark Victory* or the findings of the Senate's comprehensive inquiry into a 'Certain Maritime Incident'. Sadly, in my view, Kevin seems to have lost the capacity to believe he could be mistaken or that the facts (or lack of them) might lead others legitimately to take a different view. It is almost as if Kevin has identified the specific outcome he wants and only accepts evidence or argument that assists in its achievement.

After reading Kevin's book and reviewing some of the primary source material for myself, I am not persuaded that the ADF knew enough about the departure of SIEV X to have prevented its sinking. I do not accept that the location of SIEV X's sinking has been established with any reliability. I am not convinced that there was (or is) a cover-up involving any Government agency. And I do not believe Kevin has demonstrated that the ADF (or the Australian Federal Police) is in any way complicit or responsible for the deaths of 353 people.

I hope Mr Kevin, whose honesty and integrity I do not doubt, notes that I am avoiding declarative

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statements of fact. My summation is simply that he has not provided sufficient documentary or circumstantial evidence to prove his case, nor has he shown why this incident is primarily a matter for the Australian Government to investigate without the full and willing co-operation of Indonesian authorities. There are always valid and reasonable grounds for Australian Governments to decide not to deal with some matters in open forums. The withholding of some information is vital to the maintenance of good government and public administration, especially in relation to combating criminal activity and conducting international diplomacy. While such reticence can be interpreted as *prima facie* evidence of a cover-up, I do not believe Kevin has shown that the case of SIEV X is anything other than the routine exercise of a Government's discretion to withhold information about current and continuing operations and activities. This does not amount to a conspiracy to cover-up wrongdoing.

I must also challenge his assertion that the sinking of SIEV X is comparable to 'the failed cover-up surrounding the sinking in 1964 of *HMAS Voyager*'. As the author of the definitive study of *Voyager's* loss, I am not sure what Kevin is alleging in the comparison. He says that *Voyager's* commanding officer, Captain Duncan Stevens, was intoxicated at the time of the collision and this contributed to the disaster. Stevens was not intoxicated (the existence of alcohol in his blood has been rightly contested) and there was never any suggestion that alcohol figured in the causes of the collision. The Spicer Royal Commission was neither 'compliant' nor was it established 'under political pressure'. There was never any attempt to make Robertson 'take the fall'. Robertson was not blamed for the collision and resigned after he was not reappointed in command of *HMAS Melbourne* following the Spicer Commission. The second Royal Commission (held in 1967) inquired into quite separate matters. Although the second Commission came to different conclusions, they were not based on evidence that had been either distorted or suppressed in 1964. There are no parallels between the loss of *Voyager* and the sinking of SIEV X. To claim that there are weakens Kevin's case unnecessarily.

I believe we should judge a nation not on its wealth, prestige or strength but on how it treats the weak, the vulnerable and the marginalised. It is for these reasons that I admire Tony Kevin and commend his advocacy on behalf of people many would prefer to forget. But I do not believe that this book serves their cause or that of justice. A first century Jewish rabbi once said: know the truth and it will set you free. I am afraid that in the case of SIEV X, we might be confronted with the unknown and burdened with the unknowable.

Dr Tom Frame
Anglican Bishop to the
Defence Force

Editor's Note: This is an edited version of a review that was originally published in *Defender: The National Journal of the Australia Defence Association.*

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# Leadership and Sharing

Pearce, Craig L & Conger, Jay A (eds) 2002, *Shared Leadership: Reframing the Hows and Whys of Leadership,* Sage Publications, United Kingdom, 344pp, ISBN 076192623, RRPUS$81.95 (hardback).

Those who aspire to senior positions in the private or public sector are required to demonstrate more than mere 'management' ability, they must exhibit 'leadership'[i]. The definition of the latter and the distinction between the two is one of the recurring controversies in the study of business and public administration. Questions about the nature of leadership—and the extent to which it is constructed by a position or office—are also common subjects in literature. One recurring theme is that of the accidental leader—the manservant having to take on the role of an indisposed the king, the cleaner mistaken for the chief executive, the maid mistaken for her noble (or rich) mistress (see the movie *Maid in Manhattan* for a recent example).

That the lowly hero(ine) can defy detection when acting vice his (or her) leader, tells us something important about the qualities of leadership. First, they are not the exclusive province of those born to, or trained for, high office, and, second, the mystique of power can dignify and ennoble the actions of the holder. Joan of Arc's story is a particularly powerful warning against denying the leadership potential of those who do not conform to a prevailing stereotype. She confounds expectations that rank, seniority, professional training and the masculine sex are essential for a career as a charismatic and successful military commander.

**The essence of shared leadership is a situation in which influence is not concentrated in the hands of a designated superior, but broadly distributed.**

If organizations are to realize an uber-purpose, such as meeting the consumption preferences of customers, or serving the broad public interest, they need a reliable way of focusing the human and material resources at their disposal. The top-down hierarchy in a bureaucracy - whether corporate, community or public – provides an institutional mechanism for achieving focus. In part this is because authority is conveyed by position – anyone higher up can trump a decision of a subordinate. Ultimately, all members of the structure are formally carrying out the instructions of the person directly above them in the structure, and are thus under the control of the person at the apex. However, the concentration of power at the top makes the organization vulnerable to incompetence or misconduct on the part of the top office-holder (subject only to the external accountability regime). Moreover, there is no in-built mechanism for making decisions that cut across hierarchical boundaries (producing the well-known silo effect) or of ensuring that expertise diffused throughout the organisation is brought to bear on complex problems.

*Shared Leadership* tackles problems such as these in its search for a broader understanding of leadership within a range of organisational settings.

Pearce and Conger's first chapter provides us with a brief description of some of the major landmarks of twentieth century thought on leadership. The history lesson commences with Mary Follett's *Law of the situation* in 1924, and continues through concepts drawn from social and organisational psychology. One of Peter Drucker's many contributions to management theory and practice—*Management by Objectives* (1955)—is part of the story. The closing stages are developments of the last few decades, which have seen the brief ascendancy of concepts such as 'empowerment' and 'participative goal setting', followed by the appearance of studies on 'emergent leadership' and 'followship', experiments with self-managing teams, and, inevitably, serious consideration of the concept and practice of shared leadership.

They define this superficially oxymoronic notion as 'a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both' (p. 1). The essence of shared leadership is a situation in which influence is not concentrated in the hands of a designated superior, but broadly distributed.

Conger and Pierce list some of the factors that have helped the idea of shared leadership gain traction. Amongst them is a dawning realisation that the necessary expertise for some types of decision does not necessarily reside at the apex of an organisation, particularly given an increasingly complex and fluid operating environment. Moreover, some types of problem seem to be best solved through collaborative, cross-cutting teams, where formal leadership may be minimal and de facto leadership may change as individuals bring their own expertise to bear on aspects of the task. One of these situations, the development of a new product, is explored in the chapter by Cox, Pearce and Perry.

Drucker's (1959) identification of the rise of the 'knowledge worker' is acknowledged in the Hooker and Csikszentmihaly chapter on the use of shared leadership to increase productivity in knowledge work through its impact on feelings of 'flow'. The authors conclude that 'flow and creativity thrive on freedom and control— not only in choosing goals and selecting means to reach them, but also in developing practices that that will define the culture of the firm' (p. 231). They discount the value of bribes, threats, rigid roles and behaviours as contributors to optimal performance.

Some of the paradoxes of shared leadership are discussed in chapter 2 by Fletcher and Kaufer. Prime amongst these is that senior managers, having been selected for being the opposite to practitioners of shared leadership, may be then called upon to put it into practise.

The difficulty of defining leadership in an organisational context is tackled by Seers, Keller and Wilkinson in their chapter on

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sharing leadership amongst team members. They quote Katz and Kahn's provocative claim that 'the essence of organisational leadership [is] the influential increment over and above mechanical compliance with the routine directives of the organisation' (1978: 528). Useful clues to the conditions under which a leader might emerge from a group, and subsequently maintain or lose this influence, are explored in this chapter. Expectations (stereotyping) related to gender role and cultural background are mentioned here.

The differences in approach found throughout the book are both a strength and a weakness: it is up to the reader to form his/her own perspective on the issues by synthesising the material throughout.

However, chapter 13 by Locke provides an 'integrated' model of leadership, showing how shared leadership can supplement, but not replace hierarchical leadership, and stressing the role of CEO in promulgating a single vision—or direction.

**However, for those who have the time and inclination to explore challenging new models of leaders and leadership, this is a valuable repository.**

It is hard to do justice to this volume, as it covers a wide selection of topics in addition to the few mentioned above (such as networks, methodological issues in researching shared leadership, co-leadership of company CEO positions, and future research). The fourteen chapters are equivalent to a collection of substantial journal articles and, as such, constitute a dense read for the time-pressed leadership aspirant. The book is primarily pitched at the academic market, where it should provide useful material for the courses in fields such as organisational psychology and management. However, for those who have the time and inclination to explore challenging new models of leaders and leadership, this is a valuable repository. If only it came with an executive summary.

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Department of Family and
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[i] 'Leadership' is one of the 'core competencies' for the Senior Executive Service of the Australian Public Service and is a common criterion in advertisements for senior private sector positions, as a selection in the *Australian Financial Review* of 13 August 2004, revealed: 'a natural leader'; 'a courageous and skilled leader'; 'natural leadership capacity'; 'the ability to lead, motivate and influence'; 'practical leadership'; 'effective leadership'. One advertisement also specified a 'well developed sense of urgency'!

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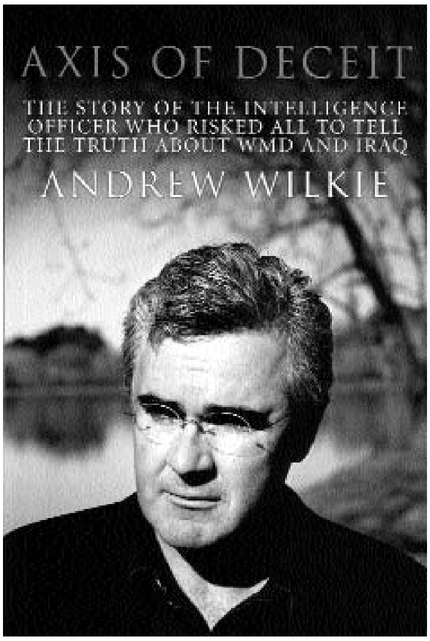
# Wilkie's *Axis of Deceit*

Andrew Wilkie 2004, *Axis of Deceit: The Story of the Intelligence Officer who Risked all to tell the Truth about WMD and Iraq,* Black Inc. Agenda, Melbourne, 200pp, ISBN 0 9750769 2 2, RRP$29.95 (paperback).

Doyen of the Canberra Press Gallery, Laurie Oakes, advised Wilkie to think carefully through the consequences as he prepared to become a 'whistleblower' against the Australian Government and resign from Australia's senior intelligence agency, the Office of National Assessments (ONA), in March last year, even though Oakes was Wilkie's chosen recipient to communicate his defection. The individual significance and cost of the life-changing decision intrinsic to becoming a 'whistleblower' is not, Oakes warned, respected by news that lingers and spotlights today and is gone, perhaps comfortless, tomorrow. Neither he nor Wilkie could have predicted that Wilkie's revelations would be more than a 'here today gone tomorrow' story, although the deep incision into Australia's image at home and abroad, cemented by the Government's decision to engage with the 'Coalition of the Willing' in a pre-emptive strike against Iraq and the inevitable lengthy term consequences for all in that decision, were then and now keenly felt by many Australians.

Continued claims of public cynicism and distrust of government have almost lost their impact in repetition. The public appears to flounder, unsure of how to demand change and/or worse,


AXIS OF DECEIT
THE STORY OF THE INTELLIGENCE OFFICER WHO RISKED ALL TO TELL THE TRUTH ABOUT WMD AND IRAQ
ANDREW WILKIE

accepting political communication as practised by governments as unchangeable. Wilkie is one who has chosen to challenge the communication *status quo.* Demands for 'truth in government' support the contentions espoused in Wilkie's account of his motivation for his actions and his analysis of government information. Each cry for government to appreciate and strengthen the meaning of 'democracy' strengthens the case of Wilkie to have taken the action he did. Relevant cases include: Mike Scrafton's (public servant and former departmental advisor in the Minister for Defence, Peter Reith's office) claim to have told the Prime Minister, John Howard, before the 2001 election, of the falsity of Government claims about 'children overboard'; the reported controversy surrounding Mick Keelty's (Federal Police Commissioner) revised opinions about Australia's increased risk of terrorist attack as a result of involvement in Iraq; the letter signed by 43 ex-senior public servants—military and diplomatic—demanding 'truth in government', 'especially in situations as grave as committing our forces to war'. Each of these has helped to make Wilkie's accusations against the Howard government more salient. Consequently Wilkie's analysis and explanation make an important addition to the challenge of public and media acceptance of the Government's control of information in the sensitive arena of foreign diplomacy, and more specifically in the context of commitment of a nation to war. There will always be a divide about whether the ends justify the means of any action involving Government direction to war. There will also be division about the motivations of a 'whistleblower' who believes that truth and living with one's conscience is reason enough to break the code of silence expected of those that carry a country's international secrets; a code that supposedly protects the vulnerable and ignorant public who, despite democratic rhetoric, remain 'out of the loop'.

**Wilkie's analysis and explanation make an important addition to the challenge of public and media acceptance of the Government's control of information in the sensitive arena of foreign diplomacy, and more specifically in the context of commitment of a nation to war.**

Wilkie has a very readable style that disguises at times the complexity of the issues he raises. There are incidental assertions scattered throughout the text that gather a force by the time the reader reaches the end of the book. Wilkie's account of his actions contains both a descriptive timeline of the months, days and minutes of his final disclosure to his colleagues that he was resigning. This includes the rather bizarre depiction of ONA in 'shut down' because Oakes and the media set up outside to capture the drama that may have developed had Wilkie's admission that he was resigning produced a more dramatic Government response to be captured on camera. (One wonders if this was 'tongue in cheek, or whether a re-run of Petrov-style footage was really expected).

The initial personal account of how it feels to go public against the Government—though Wilkie's bullets are aimed more specifically at Howard—capture the agony, stress and uncertainty of the final moments of turning. Still unexplained is why Wilkie invited friends for dinner on the night before he left ONA and on the night he could expect—and in fact received-—contact with Oakes. The snowballing ride over the next few days into the public limelight is a fascinating account. Unexpectedly finding immediate support and encouragement from Greens Senator, Bob Brown, Wilkie addressed his first anti war rally.

The book develops from this essentially personal outpouring to—at least for the layman—an informative description of the way recruiting and practice as an employee of ONA presently works. An insider's description of the 'spy' environment is provided, from the detail of how to get into the building each morning to the imagery of the two computers with their different functions that turn a government employee into a government secret agent. Though Wilkie is quick to dispel any similarity between 007 and the real thing, he admits to a sense of vulnerability when he heard of Dr

*Wilkie's Axis of Deceit – Continued from previous page*

David Kelly's suicide in Britain while in the United States suggests that the game of spying is not for the faint hearted.

There is a very useful narrative of events of Australia's, specifically the Government's, agreement to participate in the war with Iraq, led by American considerations, before the public were exposed to selected justification from a Government that, according to Wilkie, presented a jaundiced account for justifying Australian support for Bush.

Yes, this book does detail the reasons why Wilkie could no longer live with what he saw as the Government's duplicity about commitment, but individual interest will determine what is significant about the content of this expose'. This is a strength of the publication. The media—which Wilkie nevertheless uses to effect and without which he would not carry his continuing clout—are consistently portrayed as weak, 'compliant', and mouth pieces for the Government and others who know how to gain attention. It raises what is and isn't ethical about present government practice in the conduct of intelligence, spying on allies (and allies spying on us), on the flow of events and information that took Australia in to a pre-emptive strike against Iraq.

Wilkie admits that nothing is clear cut: he believed that some weapons of mass destruction would be found and he believes that maybe in the future the decision to remove Saddam Hussein may be of benefit to the Iraq people. However, Wilkie feels keenly the cost for the Iraqi people of other nations waging war when the populations of those nations continue to enjoy lattes on the sidewalk—selfish, ignorant, racist—while innocent Iraq civilians strive to keep their families safe, to procure an existence in a war environment. The value of any future freedoms seem difficult to assess against the realities of the brutality and uncertainties of a war environment imposed on the Iraqi people.

**In developing the case for honesty in political communication, a respect for an informed public in policy debate, Wilkie's account makes a significant contribution.**

Little wonder, with the Government's alleged duplicity and the repeated reference to a faceless ally—Iraqi citizens blessed with salvation—that echoes of Vietnam are constantly raised. But not by Wilkie. Nevertheless, perhaps inadvertently, Wilkie does go back to the use of the Australian military for political ends evidenced in Vietnam. His book begins with the words 'I was a lieutenant colonel and a senior intelligence officer. My great-uncle was killed at the Mennen Gate in Belgium . . . the war to end all wars'. Throughout there are incidental references that confirm Wilkie's desire to protect not only the Australian people from government spin, but to protect the Australian military from the ultimate sacrifice for an individual politician's grasp for power rather than for the national interest. Wilkie may well have been overwhelmed with the duality of serving a political master and a country in different capacities—as an intelligence analyst and as a former military officer—seeing up close the decisions that affected one role over the other. The roles should be intrinsically linked, but one senses for Wilkie they were not.

Wilkie's analysis of the considerations of preparing briefs for the Government—specifically for Prime Minister Howard—is deserving of further research and validation:

> The politicisation of the intelligence agencies has two dimensions. First, politicians and their staffs put pressure on the agencies to deliver desired lines or reporting. Second, the agencies themselves develop a tendency to comply with the signals coming from Government rather than resist them. (p.138)

This is only one of the significant assertions made. Claims about the selective interest of Howard in issues regarded as important by intelligence are even more chilling when seen from the particular perspective of national interest articulated by Wilkie. His analysis of the weakening professionalism of the public service—echoed in much that has emerged from the 'children overboard affair'—is likewise in need of investigation, not for the party political advantages that may arise, but for the longer term health of our democracy.

Whether the reader supports or criticises the actions taken by Wilkie, there is much to be considered in his analysis of the present state of aspects of Australian policy formulation and its dissemination for public consumption.

Whatever emerges as significant or partisan in Wilkie's actions and in his account, one truth does assert itself from these pages and it alone makes the account an important read. How long will the development of policy—particularly foreign policy—be accepted by the Australian public as too important to be discussed 'in front of the children'? Respect for truth from governments, and public trust in government and the media communication at present, it seems, needs 'whistleblowers'. If they aid in achieving a political respect for truth, then the professionalism and trust of public service, government and the media would be—forgive the naivety and idealism—enhanced. It could be fair to question a seeming contrary positioning at times on the right for disclosure and use of secret deliberations by Wilkie, even if he is justified in resenting the seeming use of classified information by journalist Andrew Bolt to attack his credibility—secret documentation he also claims was used illegally by a senator in committee hearings. In developing the case for honesty in political communication, a respect for an informed public in policy debate, Wilkie's account makes a significant contribution.

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University of Canberra.

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# The Regulatory State: Beyond the Welfare State

Jacint Jordana and David Levi-Faur (eds) 2004, *The Politics of Regulation: Institutions and Regulatory Reforms for the Age of Governance,* Edward Elgar Publishing Ltd, 335pp,
ISBN 1 84376 464 4, RRP$US115 (cloth).

Is it possible to develop a framework that explains the comprehensive change to the structures of government that started in Australia with the reforms of the Whitlam government and have continued non-stop ever since? Even better, can such a framework be predictive and help public policy makers to improve public sector performance? This book draws together a large, dispersed body of academic work over the last decade that could help do just this.

The rate of change started by the Whitlam government was maintained by the Fraser Government. New government owned or controlled bodies proliferated everywhere, or were reformed again, including regulators like the Trade Practices Commission. This led to some bemusement by the time the Hawke Government came to power, which was expressed most clearly in the 1986 proposed policy guidelines for Statutory and Government Business Enterprises:

> 1.16 The Government proposes to make sparing use of statutory authorities when new or upgraded functions relating to the normal business of government are to be performed. It believes that for many purposes government departments have the decided advantage of making the relevant Minister directly responsible to the community …

Hindsight clearly tells us that this was a most King Canute-like wish. One Senate Committee gave up trying to list all the entities within the Commonwealth sphere a few years later, when the count had exceeded 500.

This book begins by noting that 'Since the mid-1980s governance through regulation has ceased to be a peculiarity of the American administrative state but has become a central feature of reforms in the European Union, … East Asia, … and developing countries in general'.

So, what is the regulatory state, and what is regulation? These are non-trivial questions and treated in some detail.

The authors suggest that there are three possible answers to 'what is the regulatory state?: 'the minimal, the prudent and the over-ambitious', about which they consider the jury is 'still deliberating'. In short, the prudent version 'suggests [that] modern states are placing more emphasis on the use of authority, rules and standard-setting, partially displacing an earlier emphasis on public ownership, public subsidies, and directly provided services'. This is part 'of the change by the political economy of the capitalist economy'

*The Regulatory State: Beyond the Welfare State* – *Continued from previous page*

**It also tells those inclined to resolve all problems by changing the law that not only is such change not always going to work as planned but also that law is not the only instrument for achieving a policy objective.**

to steering, not rowing (explicitly borrowing the term popularised in the early 1990s by Osborne and Gaebler in their book *Reinventing Government*).

They also list three meanings of regulation:

- at its narrowest, 'a set of authoritative rules, often accompanied by some administrative agency, for monitoring and enforcing compliance;
- or more broadly 'the aggregate efforts by state agencies to steer the economy';
- or at its widest, 'all mechanisms of social control'.

Bringing together a number of authors in the one book makes it clear that there are many drivers behind why the regulatory state is developing in so many economies, and that the drivers are not always consistent and vary greatly between cultures and economies. The drivers appear to range from the perceived failures of the welfare state, to the lack of expertise among policy makers, on to finding a politically credible way of imposing constraints on policy change in response to the 'structural' power of business and to enhance the credibility of policy.

The decline of trust of government and of public figures is also a possible driver. The editors favour the trust argument. Along the way, they note that regulation has moved from being seen as the antithesis of competition to being sometimes essential for competition.

The book is rich in theories and possible frameworks to describe how the regulatory state works. For practitioners advising on or making public policy, this is one of the most important gains from reading this book. It tells us 'we are not alone' in finding it difficult to understand the complexity of addressing the public policy issues facing us.

In this regard, Chapter 13 by Jordana and Sancho should have been one of the first chapters instead of being the last. It very usefully describes 'institutional constellations' as a way of making sense of and assessing the matrix of actors that is usually involved in any one area of regulation. They pay particular attention to a subset of the constellation, comprising ministries, competition authorities, regulatory agencies ('new specialized public bodies that guide and implement policy regulations, often combining legislative, executive and judicial functions'), parliaments, courts of justice and other powerful elements that may not necessarily be directly responsible such as national leaders or coordinating agencies. As such, it would have been a useful introduction to the rest of the book.

Drawing attention to this complexity also implicitly warns us that unintended consequences of reform should be considered inevitable rather than an aberration, and that feedback mechanisms, including review, are essential.

Related to this is the warning that often appears to be overlooked by policy makers: the different ways of thinking in different professions not only makes communication difficult but has a material impact on the outcomes of a reform initiative. In the words of Scott in Chapter 7, there are four subsystems central to regulation that are 'cognitively open but normatively and operatively closed': political, legal, social and economic. External stimuli of any one of these subsystems 'are processed according to the normative structure of the subsystem and not the normative structure of the external environment' that did the stimulating. Thus, for example:

> legislation is the instrument of communication between the political and legal subsystems. The legal subsystem, operationalized through a court, receives the legislation on its own terms, processing it according to the wider normative principles of criminal law … The stringent application of these principles often cuts across the instrumental objectives of the regulatory regime.

The Federal Government's frustrations with the legal system over migration decisions is a case in point. It also tells those inclined to resolve all problems by changing the law that not only is such change not always going to work as planned but also that law is not the only instrument for achieving a policy objective.

Thus this book is very useful background reading for those in the public policy making arena who want to stand back and contemplate whether there is a better way. By the same token, however, the book is strangely dissatisfying by being too abstract too often. This may be the lot of review literature, but those writing it should be aware that at least some of their audience will never go more deeply into the literature than such reviews. At times, frameworks were presented in the book with minimal examples either to give them meaning or empirical support. The examples that are discussed—e.g. Gladstone's railway reforms of the 1840s as described by McLean in Chapter 3, or the US Occupational Safety and Health Administration outlined by Schmidt in Chapter 12—enliven the reading and impart real meaning to the arguments being made.

In another area of practical assistance to policy makers, a couple of the contributors develop frameworks for evaluating and keeping an eye on regulation. Lodge in Chapter 6 develops a 'Transparency toolbox' to cover five dimensions that he considers important in any discussion of transparency and accountability, namely the accountability and transparency of:

- The decision making process involved in the setting of rules and standards
- The rules to be followed
- The activities of regulated actors
- The regulating actors
- Feedback processes.

However, the book does not pay a lot of attention to the transparency, accountability and evaluation of individual regulating bodies themselves. Indeed, it does not even appear to give a definition of a 'regulator', even though it may be as elusive to define as the concepts of 'regulatory state' or 'regulation'. As I discovered when writing '"Light Touch" or "Soft Touch"—Reflections of a Regulator Implementing a New Privacy Regime' (online at www.privacy.gov.au/publications/index.html#S), evaluating the performance of the regulator per se appears to be a field awaiting more work.

Overall, this is a book well worth reading for those who want to contemplate the nature of the reforming process in which we have been immersed for the last 20 to 30 years and to consider how to improve the efficiency and effectiveness of government. However, as a book primarily aimed at an academic audience, the rest of us should be warned that is not a 'how to' manual and requires some effort to extract its riches.

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Principal, The Trust Dimension
consulting, and
Federal Privacy Commissioner,
until April 2004

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# Discrimination in the Law

Chris Ronalds & Rachel Pepper 2004, *Discrimination Law and Practice* (2nd edition),
The Federation Press, Sydney, 266pp, ISBN 1 86287 4131, RRP$49.50.

For legislation that has broad application across all areas of commercial activity and public administration, the operation and effect of anti-discrimination law is not well understood.

One of the reasons for this has been the relatively complex statutory tests for establishing discrimination under the state and federal legislation. Before the publication of the first edition of this series, there was limited material available for legal practitioners, human resources professionals and students providing a basic outline of the key concepts that apply across state and federal jurisdictions.

The first edition of this series, written by Chris Ronalds in 1998, has served this purpose, and is widely used as a starting point for practitioners and students seeking to gain a practical understanding of how anti-discrimination law works, and as an initial point of reference when discrimination and/or harassment issues arise.

Rachel Pepper has joined Ronalds to produce the second edition. The intervening period has seen a significant increase in judicial consideration of anti-discrimination law, and has seen some important legislative developments, most notably the removal of the function for the hearing of complaints under the Federal

*Discrimination in the Law* – *Continued from previous page*

**For legislation that has broad application across all areas of commercial activity and public administration, the operation and effect of anti-discrimination law is not well understood.**

legislation from the Human Rights & Equal Opportunity Commission to the Federal Court of Australia and the Federal Magistrates' Court of Australia in April 2000. This edition provides a welcome update on the developments in law and process.

The second edition has a similar structure to the first. While traversing all areas of equal opportunity law (including harassment, vilification and racial hatred), Ronalds and Pepper have focused on providing readers with a basic understanding of the grounds or attributes that may constitute discrimination, and of the statutory tests for direct and indirect discrimination. These chapters are well structured and are written with clarity. Concise summaries of the relevant authorities are provided.

As with the first edition, there are specific chapters on employment discrimination and education discrimination. This reflects the fact that a significant proportion of discrimination and/or harassment complaints arise in employment and in the provision or non-provision of access to educational facilities and programs.

There is an updated chapter on liability, vicarious liability and defences, which provides an outline of an employer's responsibility for the actions of its employees, and the status of government employers in relation to the actions of their employees and representatives.

Ronalds and Pepper have provided a summary of the conciliation and hearing processes of the federal jurisdiction, providing a practical description of the progress of a complaint. There is a brief reference to the issue of costs in the Federal Court and the Federal Magistrates' Court. The increased exposure of complainants and respondents to costs orders is a significant consequence of the restructuring of the federal complaint processes.

The text is primarily written with reference to the federal legislation. Although there is short reference to variances occurring under state legislation, commentary on the legislative peculiarities and conciliation and hearing arrangements of the state jurisdictions is limited. However, the basic concepts are substantially the same across all jurisdictions and the charts provided as appendices to the text provide a handy initial reference point for determining the differences between the various jurisdictions.

Ronalds and Pepper have provided a basic outline of the recent High Court decision in *Purvis v New South Wales*. The decision may have warranted a further discussion, as the High Court's assessment of how to determine the "comparator" for the purposes of direct discrimination has the potential to significantly affect the application of the law across all jurisdictions.

Having said that, the second edition of Discrimination Law and Practice builds on the function of the first edition as arguably the best available starting point for an understanding of the basic concepts of equal opportunity and anti-discrimination law. It will serve different purposes for legal practitioners, human resources professionals and students, but will be useful for all three groups.

Ryan Carthew & Simon Adams
Senior Associates, Corrs Chambers Westgarth

**. . . the second edition of Discrimination Law and Practice builds on the function of the first edition as arguably the best available starting point for an understanding of the basic concepts of equal opportunity and anti-discrimination law.**