PART 4

This is George Lewkowicz for the Don Dunstan Foundation Don Dunstan Oral History Project interviewing Mr Bruce Guerin on 22 June 2010. The location of the interview, which is actually part four of a series of interviews with Bruce, is the meeting room on the first floor of 230 North Terrace, Adelaide.

Bruce, thanks for doing a part four for the project. It’s probably about six hours so far and we’ll hopefully get the benefit of your recollections in your critical position with Don as Executive Assistant talking about some of the specific policy groupings, I’ll call them. The area I’d like to start off with for this part is that of economic development and your recollections of how Don saw that in the scheme of what he was trying to do in the 1970s. There’s a lot of talk about social reform and there’s a debate as to whether Don actually focused on the economics of the State – that’s the Treasury side and the economic development side – and whether he was pushing reforms in that area and getting results. Can you talk about your recollections there, discussions with Don and his concerns about the state of the economy?

Well, overall, I guess that was a particularly significant transitional time for not just the South Australian economy but other industrial economies in Australia. It showed up differently perhaps in Melbourne because Melbourne was bigger and had other things as well, and it developed into – well, the negative version of it was the idea of ‘rust-bucket’, which was borrowed from elsewhere, the name was. But very much Dunstan was in the Playford tradition of being a Premier who saw the significance of the economic development side, or in those days it was thought of as much as developing the manufacturing base and keeping everything else going.

He certainly wasn’t a sophisticated economic thinker. He was quite capable of taking on economic arguments and so forth, but essentially he saw it as a series of things that needed to be done. And if you think about the Playford formula it was to overcome geographic disadvantages that were seen so that South Australia could produce goods and to some extent services, and primary produce, that could be marketed elsewhere in Australia, of course with some awareness of exports. But the whole mental attitude in Australia in those days was a much more insular one and they were the days when the Tariff Board, with Rattigan as head, was attempting to
make changes and there were quite significant difficulties in getting the basic economic concepts accepted in Australia generally. So with a big base in metal manufacturing – cars and whitegoods and so forth – generally the focus was on how this could be increased or improved in various ways.

And so some of the things that were regarded as Don’s amusements for him linked directly into this. There was the – I can’t remember the proper name of it, but there was the design group; also the industrial research group, which I think Geoff Fry got involved in; and they were seen not as the key factors in any new approach but ways in which you could build on things that were being done. For example, on design, there was an investigation into design and craft-based industries, one part of which turned into the Jam Factory and very craft-based things, but there was also the development of the Design School, which was at Underdale at that stage, with people like Ernie Hall working there. But also it was recognised that South Australia had a quite sophisticated engineering base, where people who in those days were using automated machine tools, which was quite advanced for its time, and the second generation quite often of the family, because they were family firms, would be getting into computing, and so there were developments into computer-aided design and so forth which emerged later. Now, Don saw them as interesting and exciting, but he saw them as basically building on the existing blocks.

When people have a look at the economic record of the time, it could be seen as a failure to revolutionise the economy. I don’t think it was possible for a state government to do that at that time. But on the other hand, with some work based in the whatever it was called at the time – the economic development department, but it kept on changing its name – there was a real development of expertise in the public policy aspects or strategy aspects of the motorcar industry, and so with successive submissions to the National Tariff Board and equivalent things – Ian Kowalick was one of the people who over time emerged as a focal point of that – quite substantially important moves were made on behalf of South Australia to protect, not in a crude
protectionist sense, but to protect and build up the opportunities for the car industry and also for whitegoods at that time.

Now, the whitegoods market changed dramatically, particularly over the ’80s, but it didn’t mean that what was being done in the ’70s was necessarily ridiculous or silly; in fact, it was emerging more and more as potentially a growth area. The opening up of the Australian market generally in the ’80s and the floating of the dollar meant a totally different situation emerged then.

One of the problems that Dunstan had or his Government had I think has been a problem that South Australian State Governments have had over other periods as well, which was how to get people running that part of government who actually had some idea of how to go about it. In the ’70s there was almost a desperate scrabbling for business expertise, whatever that might be, and there was a succession of people who were thought to be enterprising or had good ideas or whatever from the business area who were brought in to do things, who really didn’t have much of a policy perspective or a strategic perspective. They tried to apply what they’d learnt from their own quite limited business experience, but it didn’t cut much mustard; and also they tended to have no idea of how to relate to public decision-making and tended to get very irritated when they couldn’t do what they would have done if they were running their family firm or television station or whatever. And, partly as a way of moving him out of the Premier’s Department and partly because of his experience, Bob Bakewell ended up there at one stage, and there are pluses and minuses for what happened during his time, but he actually managed to get some greater coherence in the whole show, not necessarily making bigger advances.

Now, in this, Don saw quite a lot of different things as being significant. He saw industrial democracy not only as democratic and labour-oriented but as, from the perspective of that time, a key way in which you could make the economy more productive and there would be more shares all round. He wasn’t ever doing anything that would threaten the Playford formula of cheap land, cheap housing, cheap public services and, in return for that, cheaper wages than interstate. He didn’t ever work
for anything that would just boost wages to the national level in principle, or whatever. So if there was an area that was suffering you could look at it politically, like the grape-growers in the Murray, as a particular problem there which is a political problem but it’s also for him a productivity problem. If Philips were moving out of their manufacturing site at Hendon, then, very much in Playford style – although I don’t think he’d climb through any windows on the weekend like Playford did – he would know what it was like and saw the potential. And there was the film industry. Now, film’s not the easiest thing in the world to deal with. He was quite enterprising and matched up his ideas with his ideas of creativity, but it was quite an enterprising way of re-using facilities and point them on into the future. And you could go through it in various other ways.

Underneath this there was also a problem of government finances, in a way, because the Government was still regarded by just about everybody as the employer of last resort, so if you couldn’t get a job anywhere else then you’d go and dig ditches for E&WS,1 and Des Corcoran was quite proud of the fact – in fact to me he boasted several times – ‘Just look at how many daily-paids we’ve got’, and we pointed out to him that – I’ve probably got the numbers wrong, but I think at its peak it was something like 13,000 employees in that department; I might be out on that – in the end the same function was able to be run with about 3,000. But he saw that as a public necessity to avoid unemployment. Don wanted to smarten up the economy by having more people paid in more productive jobs but didn’t have the formula or maybe the perception to move on there. And that limited his capacity, of course, with that amount of people to pay for, limited his capacity to be more adventurous.

Also it was a time when all States were looking for major projects to develop the economic infrastructure, I suppose, and there was the Redcliff Petrochemical Plant which was pursued over quite a long time, and there were others as well. In fact, working in the Premier’s Department we became quite used to almost itinerant

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1 E&WS – Engineering and Water Supply Department.
salespeople that would start in one State and demand free land and subsidies and all the rest of it; when they couldn’t get what they wanted they’d move to the next State, and when that State made them an offer they thought they could better they would then – you know, like itinerant peddlers, they would go to the next State and say, ‘Oh, we’ve been offered this much. How would you go?’ And in the end there was this zero sum game that, by the time people had bargained off the incentives, there was no advantage locally. And I guess that showed up the lack of sophistication in the analysis, but also the political lack of sophistication or confidence in being able to say, ‘Well, okay, this doesn’t rate for us. Go’. But successive projects were brought up of that kind.

The petrochemical plant was a tantalising one because it was building up on the discoveries of oil and gas in the Northeast and potential discoveries up in the Northwest or up closer to or on the Northern Territory border. And, just as when Broken Hill was established it seemed to be logical to bring them down to the top of the Gulf, the product there, and then do whatever processing, the same applied with Redcliff. The person who had responsibility for the economic development function at that time I think was Max Scriven –

Yes.

– who was a public servant who’d had some experience at the Commonwealth level with industrial issues and was quite competent in a way, but he wasn’t really the world leader in technological development or whatever. So he had a very thorough approach adopted to looking at it, which meant looking at six different sites and analysing the pros and cons without I think ever anyone being able to tell him what the likelihood of this was. So a lot of effort was put into it over a long time. The international product prices were probably never going to be able to make it a goer.

But it was also interesting because it was the first time in my recollection that environmental issues were not only flagged but regarded as significant and requiring much more investigation. In South Australia we had this succession, with gaps in
between, of the establishment of the BHP works at Whyalla and there was an indenture entered into there which I think still has some validity today which permitted BHP to dump anything they liked, including cyanide et cetera, et cetera, into the water: they were given legislative protection. The next time something like that came up, still in Playford’s time, was the Apcel paper plant down at Millicent, and again there was an indenture, the State doing a deal to support the venture, where Tom Playford actually got up in Parliament and drank a glass of water which was supposed to be of the quality which would be the effluent from this plant to justify legislation that said that this plant could discharge its effluent into Lake Bonney down there. There was also a provision which prosecuted anybody from doing anything in the water above: as the example was used, but not by Tom, if you peed upstream you got put in jail; (laughter) if they destroyed the lake downstream – which they did – that was fine.

That was fine.

And then came Redcliff, where people said, ‘Well, we don’t know enough about the tidal movements and the exchange of waters up in the Upper Gulf and the fish and so forth. What can we do about it?’ And the nascent Environment Department, I think with Glen Broomhill as Minister, still had this task of saying, ‘Well, really we need a 10-year baseline study and we don’t have 10 years to make up our minds’. And so that was probably the first time, certainly the first time in South Australia, that that had loomed as a consideration. The benefit of it was that it actually forced better studies, both on locational geography, the industrial economics and the environmental side. I think a fair amount was learnt from that, but it wasn’t all positives in the sense that either there was decisively a judgment not to do it or a judgment to do it and get it done; it sort of meandered off into the distance.

So, in that context, we’ve spoken at other times about the uranium question. That also intersected with the other basis or one of the other bases of State wealth, which was mining, and for Don the discoveries of huge mineral deposits which have come
to be developed at Roxby Downs, Olympic Dam, were very significant as part of the potential for the State. That was before even the composition of the minerals was thoroughly understood.

Interesting. And the Redcliff project fell over in the end. Can you recall what happened there? It just didn’t proceed, we never got a petrochemical plant.

Well, it was a combination of things. Partly it was the understanding, both in industry and in government, of what the supplies were like, you know, whether the Cooper Basin would be able to sustain what size of plant, and at that stage there was a certain economics of scale and if you couldn’t get up to that stage then it wasn’t worth building the plant. That meant that you had to be able to sell into an international market where you could be confident of shifting your production, and it was – like with a lot of these projects, I don’t know whether they’re step functions or just windows of opportunity – but there’d be times when yes, if you actually had your plant up and running now you would get a good return for 10 years and that would tide you over the next period, but if you started now and it took five years to get it built then maybe there’s not enough of a window before other people would be bringing their production online. And essentially the feedstock from the Cooper Basin was not the most obvious one for a generalised petrochemical plant, and so others with heavier and different characteristics of oil and liquids and condensate and so forth had a built-in advantage, their deposit was much more appropriate.

Part of it was also that, because it was this different grade of petroleum and gas and so forth, there were potentials for doing, if you like, higher-level developments based on it. But it was one of those tantalising things: to match up international market demand, other supplies and your ability to get the project together and shipped out.

Were you Don’s Executive Assistant when that project was going or you were in the Policy Division?
It was before that that it started. It would have been, I think, my guess would be about ’72, ’73 or something like that.

**Oh, right, so you weren’t right in there with Don.** Because what I was curious about was, when you *were* Executive Assistant, what sort of information Don was getting about the economy and how was he reacting to that to keep it in his forefront, if you like?

Yes. Well, one of the great innovations of – I have to choose my terms carefully – of State Government while he was Premier was the establishment of a specifically economic focus in the advice available to the Premier and the Cabinet. Now, that happened to be set up in the Premier’s Department in the Economic Intelligence Unit. Milton Smith was set up as the head of that and he had a very paternal approach to his staff, although when they went off to lunch, as they did frequently, it was called ‘Milton’s Hen and Chickens’: they all toddled off down to the Ceylon Hut, (cheap side). But it was a quite tight, professional group and they were given a task of analysing and giving advice dispassionately. Some of that advice was intended to be a questioning or at least an alternative view of State finances and the role of State finances in economic development; but a lot of it was just getting an economic analysis of a whole series of questions that hadn’t been analysed that way before.

Now, other States had not done that. They ended up copying it. They placed their analytical unit sometimes in Treasury and sometimes separately. Now, I think that that was something that Bob Bakewell did and he certainly protected it and fostered it and used it as a weapon, (laughs) when he needed to, or wanted to. For Dunstan, it provided I think a very important source of advice on things where previously there’d only been almost administrative advice, like advice from public servants who didn’t necessarily understand business, didn’t necessarily understand economics, but doing a good amateur shot at it, and that was the sort of advice he tended to get from Treasury, and it was the way the South Australian Government and other State Governments had operated on major developments, though quite often the Under-
Treasurer would have been the adviser on a particular project, like Fred Drew and his involvement with the development of ETSA\(^2\) at various stages; these were people who weren’t necessarily economists and they looked at it in terms of almost – I was going to say ‘family firm writ large’ – but it was more a financial analysis rather than economic analysis. So that provided a different perspective, and Don was quite keen on using that sort of information in his justifications.

At the same time, I’d have to say he didn’t have a riveted interest in economics. He was always happy to have that put in perspective, but on a number of occasions he used the existence of the Unit and the availability of the analysis to make his point, either at Loan Council or with the Commonwealth Government or with big business. You know, ‘Our economists have looked at this and they say such-and-such’. And that actually made quite an impression with – for example, I can remember talks with BHP about various things where they were themselves only just getting to that stage. They’d had a very businesslike approach to things but hadn’t necessarily had that meta-analysis on economics.

**Bigger picture, yes. Where did Barry Hughes come in, then? He was the Economics Adviser to Don. Was he there at the time you were there with Don?**

I can’t remember the timing of Barry’s arrival. He certainly had a presence during Bannon’s time. Actually, he must have been around the place because I recall when I was writing for *The Advertiser* he made a big play to become *The Advertiser*’s economic analyst, either by writing columns or being I can’t remember what, and at the time I was distinctly unimpressed by him because he tended to be full of academic-speak and hadn’t developed the discourse. He later on became very good at couching things in policy terms and ordinary people’s terms rather than academic ones, though I think he managed to either regress back or ascend upwards again when he went back to universities.

\(^2\)ETSA – Electricity Trust of South Australia.
I was just curious whether there was this group of people advising Don focusing on the economy – there’s Milton and his group, there’s the economic development area more broadly and then Barry was there – and whether this came together in terms of driving any particular policies and strategies on the economy.

I don’t have a distinct enough memory of that. But quite clearly the way advice was given then was that it was normal to have advice from several different directions, they might agree or they might not agree, so that increasingly the Economic Development Division and then Department had more people who’d done economics or were familiar with that area without necessarily being obsessive economists, they would do an analysis. Even some people in Treasury were starting to branch off – well, not branch off, but to show that capacity as well. In his own staff, eventually there was a person or two who would see that advice at a different stage or contribute to it at a different stage.

But also it was the start of people outside of government offering their services or trying to get work from the Government or raising issues publicly and so it wasn’t just the private preserve of the Government any longer. There were publications like, I think it was called – might still be in existence – *The Economic Record* –

Oh, yes.

– and people like Scotton and Deeble were producing very theoretical, academic analyses of the health system which later led to being the national health policy or the Medicare/Medibank policies. And the analysis in that journal, I think it was a quarterly, would on occasions be particularly about an area of government policy. There were very few, but there would be four or five people, within government who kept up with that and were interested and were able to engage in that discourse. So people not coming to government but just publishing their critiques or analyses were starting to have an impact; and then they, in turn, when they’d had an impact, might be recruited to be part of an inquiry or do a consultancy. So it was a very transitional time in the way that government got its advice.
Dunstan himself, I think it wouldn’t be inaccurate to say, as time went on was less closely-engaged with that than before, which might seem to be a contradiction, but in a way he felt more assured that other people were looking at it and he was confident in his assessment of those people, rather than necessarily feeling the need to be closely conversant with it himself.

Interesting. And you mentioned Treasury: they came into this a bit, but you also suggested that they were a bit behind the 8-ball, if you like, on their capacity to contribute to this sort of debate and directions.

Yes. Well, I think the South Australian Treasury was well-known for being an excellent treasury. It could work quickly, it could be very responsive, it knew where all the money was – not that they were letting everybody know where all the money was; they had a lot of credibility with the Commonwealth, they were regarded as straight shooters, like they weren’t fiddling up the books to get Commonwealth grants or whatever. And so when they put together a proposal which was to be considered by Canberra, Canberra didn’t spend a lot of time second-guessing them; they didn’t take it all as gospel, but they thought, ‘These are credible and professional’. And they were really very good at management of public moneys in the way that public moneys had been traditionally handled.

That’s more of a what, accounting finance approach?

Well, accounting finance, and the management of debt in the way that they were used to. Like a common thing was these loans that were 40 and 50-year loans and they would have to be refinanced, and they were just handled as a matter of routine and no fuss and bother, they always seemed to get as good a deal as was going. But this was before the great proliferation of financial products that came up during the ’80s and so forth. There were no Samurai loans or whatever. And so, if Treasury said it was okay, you could be pretty sure it was okay financially. If they said it was doubtful, then you had to sit up and take notice.
But the big vulnerability was in terms of understanding of two areas: one was the capital area, where very much the budgeting was done on recurrent side and capital side, and capital moneys came from the Commonwealth as well as from internal funds, but that was managed as a separate fund and it was treated like different money and, having decided how much could be spent in a particular period, they would then go through a process of allocating money to projects within that amount. Now, that didn’t mean that there was rigorous economic or financial analysis; it was an assessment in traditional terms of ‘Was this good or not?’ And things like working out an internal rate of return or discounted returns over a period they just didn’t get into. I hadn’t actually realised this myself until after the Dunstan period, I think this would be in about 1980 or so, I was given a job of sorting out government computing and communications. And I was assessing proposals put to me on these bases and then took them to Treasury and they said, ‘What’s that got to do with it?’ (laughter) I actually had to give little tutorials on internal rates of return. And I can remember once putting up a project where – I can’t remember what particular system it was – where in my terms this was justifiable or not-justifiable, and they said, ‘Well, it doesn’t make the grade according to us because there’s no money coming in until this time and whatever and it doesn’t fit the capital budget’. So there was a stalemate. And eventually, I think it was Ron Barnes, I’m not sure, but he said to the capital grants people or the capital budget people – who were I think just two people – ‘You need to sort out if we probably ought to use these criteria’. And so they asked me what the criteria were and how to set them up, and it all depended on an internal rate of return and whatever, without harping on that too much; then I put up a proposal to them on behalf of somebody else and they said, ‘No, it doesn’t rate’. (laughter)

And I said, ‘Why?’

And they said, ‘Well, because the rate of return has to be 5 per cent’, or they’d chosen some number which had to do with the long-term bond rate, or nothing to do with project financing. (telephone rings)
So that the point of all that is that, post-Dunstan, it still wasn’t a very sophisticated financing arrangement and under Ron Barnes during the ’80s there was quite a large-scale change in the way moneys were looked at in the Division between capital and recurrent and the way you assessed the value or otherwise of different approaches.

I’ve now lost the track of where we started off on all that.

Just talking about Treasury – – –.

Treasury, yes. So Treasury, when it came to the assessment of particular projects, tended to have a lesser voice than it had in the past, partly just because there was other better advice or advice available or analysis available that there hadn’t been before. They tended to try to be involved in most things that had a financial impact, but increasingly there was a recognition within Treasury that other people had expertise and you could actually take notice of it; you didn’t necessarily have to accept it, but you would have to beat it rather than just say, ‘No, there’s no money’.

Were you advising Don on the budget at all when the papers were coming through, and I don’t know whether there were what they called ‘bilaterals’ – discussions with departments – and the overall shaping of the budget when you were with him as Executive Assistant?

Had they invented bilaterals by then? Certainly there was a process by which various people in Treasury went through bids. And in those days it was more a matter of Treasury putting together a budget and then flagging various things that might need to be considered, either in terms of priorities or justifiability or whatever. And that meant that Treasury would, over a period, in regular briefings to the Premier, say, ‘Well, this is how finances are looking now’, and it was an overall assessment. ‘Within that there are particular pressures here, there and everywhere, and here are the major demands on the budget that are shaping up.’ They would do that sort of thing. Some of that was on paper, but a lot of that was done by word-of-mouth and in discussion – rather than spend huge amounts of time doing big, formal reports, more looking at the key things.
Don’s attitude was quite often to listen to all that and, unless he’d had advice to the contrary, nod his head and say, ‘Anything else?’, or whatever. But if he’d had advice that was different or if he had a particular thing in his mind, he would put that onto Treasury to say, ‘Oh, well, what about the stuff the Economics Intelligence Unit have done on the car industry, is that going to impact?’, or whatever it might be. Or, either identifying the source or not, raising questions, because sometimes with a strategy that Treasury had put through somebody would have raised a question of whether the assumptions were appropriate or not and, rather than him trying to resolve any of that himself, he tended to send people off to talk to each other: ‘Well, if you’ve got an argument, you thrash it out and then come back and tell me.’ Not ‘Give me the answer’, but ‘Tell me what the outcome is’, and are the pros and cons agreed or not.

Now, with his meetings with Treasury, he would have somebody like his Economic Adviser usually involved. But Treasury didn’t just have a Treasury meeting. There were meetings and contacts and submissions put in in a whole variety of ways, and a fair amount of that contact was with me because it was really not just a financial thing, it was an overall policy or project or whatever it was.

What were you relying on: the Government’s policy statements or the Cabinet submissions of the past, or – – –? Talking about priorities and how you’d be assessing all the information coming up.

How do you swim in the sea? What affects you? (laughter) Like it was a continuous process. Always in government there is a problem of assessing what’s important and, even if A, B and C are the most important things, what about X, Y and Z which are tiddlers but maybe you can get them done anyway? Well, I’ve had the slogan of ‘Strategic opportunism or opportunistic strategy’, I’m never quite sure which it is, that there are times when you can get things done – there is an opportunity which comes up, you have to grab it and get on with it – and there are other times when the best-justified, most-needed project in the world or activity can’t be done because you just can’t line up the dots enough.
Did you get lobbied by either ministers and/or department heads, or ministerial staff?

I’m shocked that you should suggest that! (laughter) I can’t work out the percentage allocation of my time, but being lobbied was a very high percentage of my time.

Right.

But there were few times when being lobbied didn’t mean that I was using it as an opportunity to lobby myself. One of the things that does come up, for example, in dealing with Treasury, where at the more abstract level I had very good relations with Ron Barnes and others in Treasury, good because they were cordial but particularly good professionally because more and more people spoke their mind – without getting heated or whatever – and so it would be a matter of understanding each other’s position and trading, because there’d be times when Treasury would say, ‘Well, listen: we’ve been saying this to the Premier and we don’t think he really appreciates something’, or, ‘We’ve been told to do such-and-such but we think there’s an alternative’, or whatever. And sometimes I would as a result of that talk to the Premier, either saying, ‘By the way, Treasury are coming through the back door and saying the following thing, so be aware of that’, or other times just in my own right saying, ‘I think there is a case to consider here’. And so, in the same way, if I was dealing on something I might talk to Ron and say, ‘I can’t see how this is working out. It would be great if it could be done’, and he might say, ‘Well, yeah, there’s no way it can be done’, or it might be, ‘What say we took this angle or fitted it in there?’ or whatever.

When it was dealing with particular departmental heads or ministers it tended to be a much more direct thing and, with most of them, you could see them coming a mile off and I was always a bit disappointed if anybody sprung a surprise on me because it meant I was slowing down. (laughter) I hoped that I could get them to a situation where they felt the need to come to me, and then we’d try and work through whatever it was.
What proportion of the budget are we talking about? Because a lot of the budgets are sort of locked in, notwithstanding attempts at zero-based budgeting now and again. But are we looking at major – well, the locking-in the wages and salaries, subject to razor gang-type activities, reducing employment numbers and that, but I don’t recall any big ones like that in the ’70s myself.

Well, razor gangs hadn’t been invented because the job was just done without a name, and the name was quite often the Deputy Under-Treasurer.

Right, I see, yes.

Yes. It was in many ways a much less-sophisticated approach than is taken now or was taken after that time. In other ways, though, because of the way it was handled, it had a much greater immediacy and you’d get to the point without a lot more paraphernalia. Like, to some extent, razor gangs are an institutionalised way of dealing with the bleeding obvious, but everything has to be put on the table so everything can be considered and all the rest. Well, there is really only ever a band of X per cent, whatever it might be, that’s going to come into question. You just don’t have the capacity to vary it beyond that. And that tended to be what you’d concentrate on.

The big problem for governments was when something that was something way out from left field, like an economic crisis or some huge problem, or an opportunity that hadn’t been on the horizon before, how do you fit that in or what do you supplant by this new factor that was coming in?

And the Loan Council was still in operation then, presumably –

Yes.

– so you had less flexibility

Well, there was less flexibility, but in a way it was a much more open game because there were “fair shares” and, as long as the Government showed signs that it was serious about things, it would be included in the loan allocation because the Commonwealth was essentially borrowing on behalf of the States. And I can’t
remember which Premiers’ Conference it was at – well, I think it was in Fraser’s time, it would have to have been in Fraser’s time – there was the first of the big pressures on the States to do something more sensible with their borrowing, but even so, Fraser would be there saying, ‘Oh, Queensland’s got an election, I can feel a dam or two coming on’. And Victoria had a couple of pet-type projects: they’d always have a road here or –

**Roads to nowhere, yes.**

– or a road past Henry Bolte’s place. (laughter) And in a way, although at that stage pressure was being brought to bear at the Commonwealth level on the States to improve their game and that meant that there was economic or financial advice coming to the Commonwealth Government, basically the Commonwealth was ordering much of its own expenditures in the same way as the States.

That leads us on to wider public sector reform – I don’t know that that was a deliberate reform process we were talking about, there seemed to be an evolution. What do you recall as some of the big public service reforms that you’d like to talk about?

Well, I guess one of the biggest reforms during Dunstan’s time was their concentration on getting better people to do the jobs that needed to be done. And partly I think that came from Dunstan’s own experience in opposition and then in government for a time. And some of that was concern about or disdain for dyed-in-the-wool public service attitudes. He still retained the feeling that a lot of the people in the public service were the salt of the earth – they were good value, they worked hard, they were well-intentioned, whatever; but at the same time we weren’t getting the best of the labour market coming into government, we weren’t encouraging it, weren’t making it an exciting place to work, *et cetera, et cetera*. So when he became Premier some of the moves that he made – for example, with Bakewell, he wanted somebody to head a Premier’s Department which was more than really a secretarial office. He used to give the example that John White, who’d been the Secretary of the Premier’s Department, would come in to him with a shorthand pad and a pencil
and sit down and say, ‘Now, Premier, what do you want me to do?’ And he would take notes and he would go off and do it. He wasn’t coming in bursting with a list of things: ‘We’ve got to get this done, and can we decide this?’ And the shift to Bakewell was a result of a search for people and talking to people outside of government rather than inside, and then came across Bakewell. The particular background of that doesn’t matter so much in this context, but it was trying to find somebody who would make a difference running a department in a way that the Premier didn’t have to worry about the running of the Department; it would be somebody capable and effective, but he’d get on and do it, but also have an impact on other departments and with other governments. And that meant better people.

Now, one of the things that Bakewell did internally was to – well, he’d started this in the Public Service Board – to get young graduates. Graduates? Fancy having graduates! And then building that up.

Yes – generalist graduates, or not so much engineers.

Generalist graduates – yes. And given tasks that weren’t just using their economic background or whatever it was. And also just continuing on with that, it wasn’t the sole focus, but concern to make this a desired place of employment, either because it was challenging or it was exciting or because that’s where decisions were really made or whatever; but also to get people in key positions around government to have an impact – in my interpretation, less on the power structure and more on the ideas structure.

An interesting example would be in the area of transport, which was never organisationally sorted out during Dunstan’s time or maybe a bit later. But Derek Scrafton was hired in various ways and ended up for a long time just being an adviser and then becoming a director-general with more policy involvement than managerial involvement, you might say. And his particular impact which was desired was to raise issues about transport strategies and approaches to transport, rather than to get this road built or this one done there or whatever. There was an
explicit shift from the Highways Department ‘You’re in charge of roads; go off and make roads’ attitude to transport and how this contributes to the economic and social wellbeing.

Or in Education: Dunstan had had a lot of contact with previous Directors-General of Education and had a lot of time for them in various ways, but he was keen to have people who had progressive ideas – not progressive in a political sense, but they were getting out of the mould of an education based in the past economy and the past society to one that would equip them for the future.

In Health it was quite interesting because he came to rely – I think we’ve discussed before – quite a lot on Brian Shea. He was part of the existing infrastructure, if you like, so he was quite happy to have people if they emerged, or bring them in from the outside if that was more appropriate.

And, although his Government was quite cautious in terms of changing provisions of employment, he was seen as being quite revolutionary as getting all sorts of odds and sods coming in from outside, which seemed a bit threatening. In many ways the outside numbers were fairly limited at any one time, but they did have a big influence on the character of different areas of government, and government overall.

That plus inquiries. Inquiries now are a bit discredited because they’ve been done many times.

So many of them, yes.

Yes, and some of them had no action taken on them. But he used inquiries as another vehicle for getting ideas out in the open. And, while he didn’t seem to me to have this as his main purpose, an inquiry has the advantage of distancing the Government or the political government – the Premier or the Minister – from the debate. The Minister doesn’t necessarily have to get involved in that debate. Various parties can slug it out at a table or through an inquiry, that can be assessed by somebody else; if it’s done well you get good options to look at, then the Government can decide. So you get a process of change without necessarily having
to endorse it until you get to, I guess, the white paper stage when the Government can in fact declare a stand and then look at more specific provisions.

**Ability to get in people with significant status as well.**

Yes.

**Like So-and-so, he or she has got all this expertise and they’re advising on whatever.**

Yes. And you can always say, ‘Well, that’s the Committee, these impartial people, they’re telling us to do this’, and Dunstan might have said that to the Labor Party: ‘Well, look, I know this is what we’ve been doing for decades, but these people are telling us that’s not going to fit us for the future.’ And so if other people didn’t like it on the other side he’d be using the same sort of justification.

**Just on the young people coming in, the graduates, and people who were more progressive in their thinking as department heads and things like that, from those who’d been there for some time did you ever get comments or questions, you know, ‘Who in the hell are these people and what are they trying to do?’**

(laughter) Quite often. But it’s interesting because I guess, by the time I was working as Executive Assistant with focus on that, I’d been around for a few years and many people regarded me as an insider, even though I’d been an outsider a few years before. Quite often this would come up at times of frustration, and sometimes it would be well-justified frustration, that some idiot – even worse if it was young with a degree and *female*, oh, my god! – challenged or even asked a question that was, in their terms, offensive. ‘How can this be?’ And so, for example, there was somebody from the Public Service Board who was given the task of checking out whether Government House needed a position filled that had become vacant, an administrative assistant, and he went to do a proper investigation and literally knocked on the door of Government House, demanded to see the Governor and asked him to justify his existence, (laughter) and Mark Oliphant didn’t take that kindly and was ready to resign on one of the occasions. But there were other times when people just really couldn’t countenance some of the ideas and what they saw as
change for change’s sake. So one person I could specify there would be Lindsay Bowes, who’d been in the system a long time, had been very effective operating for most of the time as head of a small department. He at that stage was head of the Department of Labour, and found himself foisted with industrial democracy and other strange activities. And partly there was the attitude of, ‘Oh, this is one of those revolutionary things the Premier or somebody wants to do and all these blow-ins from Canberra or universities, what do they know about the real world?’ There was that sort of thing. And you’d get that coming up in technical departments, like in the Highways Department there was almost a fortress mentality amongst some people that they knew about roads, nobody else knew how to make a road, ‘Therefore why do I have to deal with anybody else? We’ve got this highways fund; we’re just going to spend the money’. And any questioning had to be done carefully, and any positioning with them had to be done carefully, but sometimes it just had to be head-on, saying, ‘Well, we can’t go on this way’.

I guess there are still parts of the public service that maintain that attitude, that they ought to be somehow hired for life and be able to pursue a particular line of work for life in the interest of proper government and democracy, and any new ideas are to be suspected. But I think there’d be very few of those left now.

And there were points where Don had to get dragged into any of this, like a minister got particularly upset and was at him, you know, ‘Who are all these people?’ That’s outside the Cabinet comment process; I think we’ve talked about that before. But I was just wondering whether his attitude might have been, ‘Well, okay, they’re young’ or ‘they’ve got progressive ideas and let’s give them a go’, or what.

Well, there were certainly times when people either lost their cool and vented their spleen about various people. Quite a number – well, more than a few – vented their spleen about Bob Bakewell. Now, it was partly because of the set-up that you had a Premier’s Department, a Public Service Board and a Treasury apart from other significant departments and those people had regular briefing opportunities, and either subtly or unsubtly they would raise the eyebrows or mouth off or whatever.
And it depended on the state of play just how Don would react to that. But while I was with him and sitting in on some of these meetings it would be an easy thing for him to do to just say, ‘Oh, Bruce, see what you can do about it’, and it would be just like that. He wouldn’t say, ‘Tell him to behave’ or whatever. (laughter) So then I’d just have to oscillate between the warring parties and try and sort something out. But in some ways I suppose you could label that as ‘creative tension’, and more than a few times Don was quite happy to see that creative tension because it actually forced people to stop and think and argue their case rather than just plough on.

With his Ministers – I was Executive Assistant at the end of his time – they’d settled down into a routine which had a quite clear seniority in it. There were Corcoran, Virgo and Hudson, supplemented on occasions by others, but they were the key people, they sat up that end of the table. And there were other ministers involved. And if there were complaints that were coming up or arguments or whatever, if I heard that they were in the wind I’d let him know so he’d be forewarned, but a fairly common thing in being debriefed after Cabinet he would say, ‘Oh, So-and-so’s upset about this’ or ‘didn’t understand that’ or whatever, and not infrequently he’d roll his eyes, because he didn’t tend to verbalise things a lot; he would say, ‘Well, So-and-so didn’t seem to be quite across what we were doing in such-and-such an area. It might be worthwhile to talk’. And sometimes he’d obviously told the minister, ‘Yes, Guerin will get over there and talk to you’, and other times it was I’d be knocking on the door and they’d say, ‘What do you want?’ But that’s just a normal part of that sort of job.

**Was there anything more you wanted to talk about [in] public sector reform?**

Well, I guess in some ways Dunstan’s own image that had developed – or his persona, I suppose, giving it more substance – was of somebody who wanted to change. He wasn’t terribly radical, really, but he was looking at progressive change in a variety of areas. But he also projected an understanding of things being linked together, like he didn’t see the arts as some icing on a cake over there; he saw that as
a significant aspect of community. And a community could be at the local level and there you got regional arts centres coming up – people thought what a terrible waste of money: arts in Port Pirie? He didn’t see it that way. Or education was linked into industrial development, yes; but he saw it much more as developing capacity and ability to live. And the transport infrastructure related to how people could get to health and all the rest of it. And on occasions he would say things in a number of sentences that would express that, but it was more the sight of him doing a whole range of things and the sight within the State and from other States had this effect of people understanding what he was on about. So, apart from what we’ve been talking about, a little messenger being sent off to talk to the Highways Department or whatever it might be, his actual projection of that I think made a big impact on people working in a lot of different areas. They may not have been at the top level or at the policy level, but they sort of got the idea, and increasingly there were people who were coming up with ideas and putting up proposals that might not ever get near the Premier but looked pretty good. So things he said about local amenity and urban development of various sorts had an impact in local government and elsewhere.

Also it had the effect of attracting people from other States. There was an influx of people who specifically moved to South Australia to be part of this, whether it was – what was the term? – ‘social laboratory’ or whatever or just ‘It’s a good and interesting place to work’, and they were not just people who were South Australians who’d return from Canberra or Sydney or whatever; and I think that sort of atmosphere was as important as a lot of the more structural, formal, proposal-driven approaches.

Just as you were talking I thought of the term ‘creative economy’, that is the arts and all that mass of things, notwithstanding that we weren’t big on IT communications at the time. And then another term we use these days that sort of comes in and out is ‘joined-up government’, if you like –

That’s right.
– which poor old David Cappo is railing on about, not necessarily in those terms, but the lack of joined-up government when he’s trying to get his social inclusion stuff going.

Yes. And it’s interesting because, in a way – I don’t know David Cappo at all – in a way he looks to me like some of the people who were brought in to do industrial development in the ’70s, in the sense that he’s got sets of ideas and a lot of them seem very good, but every time somebody like that says, ‘Oh, but the bureaucracy aren’t doing it’, that to me basically is a declaration of personal failure. If you’re in a job like that –

Yes, that’s right.

– after a while you’ve got to work out how to affect people and get them to do things. And that’s not so much a comment about the failures of David Cappo as the state of development we’ve reached in that area. Why does a Premier need to get somebody like that in, in that interestingly anomalous role in the first place? And then, having done that, why isn’t he more effective? And, if so, is it that that’s become a sort of lightning rod for those issues rather than it being dealt with effectively by the Government as a whole? Like it might be a comment about the head of the Premier’s Department as much as Cappo, or whatever.

Could be. Or the whole Social Inclusion Unit, what it’s supposed to be doing.

Yes. And it’s very easy for bright ideas and bright people at a particular time to almost typecast themselves into ineffectualness.

Yes, interesting. Maybe we ought to set up an inquiry on that one.

I think it would be a very good inquiry.

Just talking about inquiries, you mentioned how Don would get some of them going to broaden ideas and get some change. The Royal Commission into the Non-Medical Use of Drugs, I think that was set up – was it just before you became Executive Assistant or during? Because it was toward the end of Don’s time, and I think initially was set up to look at marijuana laws or loosening them up or
whatever else, but then it broadened into a bigger inquiry. Did you ever talk to Don about what he was trying to do with that?

Quite a bit, actually. I don’t recall that sort of discussion. I’m not sure of the timetable; I think this started before I was Executive Assistant. I had a fair amount to do with getting it set up in the first place, and I had some hand in writing the terms of reference but I can’t remember exactly what. But it was never expressed to me in terms of this being about marijuana; it was about drug questions generally, because it was not just the question of social use of marijuana, it was also abuse of drugs and drug-related problems, *et cetera, et cetera*. And I can’t remember the particularities of the debate or the exchanges, but the old thing of whether you should punish drug users or be kind to them or whatever. And the capacity the Government or the public organisations had to deal with drug-related issues was limited. It was quite clear in that context that the use of marijuana had been growing and there were quite a lot of people who were arguing that it was less dangerous than alcohol and all that range of things, and there were I would say minor tensions with the police about policing. This is just a recollection, but I think there were occasions when there seemed to be a very relaxed attitude to possession or use of marijuana and other times when the book was thrown at people, and either it was different parts of the police force had different ideas or different management – I can’t remember. But some of the people who had been talking about it included Earle Hackett, who at that stage had a high public profile, not just as a pathologist but I think he was on the ABC Board and a variety of things like that, and he’d done a series about blood and the book had been produced, and he was I would say a friend of Dunstan’s, and I don’t recall having had a detailed discussion with him but I do recall him saying, ‘Well, you’re obviously going to have a range of attitudes to these sorts of things in society, either because it’s a problem that needs to be managed or because it’s a change of attitude and this will be introduced, and we haven’t had the debate’. It was that sort of discussion. As part of this idea of having an inquiry, I think Don had made a trip overseas, but at any rate he had had a recent contact with Dennis Muirhead, who was
then a quite successful barrister in the UK who had an interest in the area, so somehow it all came together that there would be an inquiry.

At various stages there was discussion of what might come out of this, and not so much discussion of the inquiry, but this was while I was Executive Assistant, what might come out of it, and there were a variety of people on his staff who were saying, ‘Ah, it should be legalised.’

‘Why?’

‘Well, you know, there’s no problem’ or whatever.

Or other people saying, ‘This is political, not quite suicide, but idiocy. Like it’s not an issue that matters, just let it go past’.

‘Why take it on?’

Yes. And people like Corcoran were saying, ‘This is one of bloody Donny’s fantasies’, or whatever.

I didn’t ever hear Don himself say, ‘We’ve got to have this inquiry, open up the questions and legalise or whatever’. What he did say was he wanted the information gathered and some analysis done and some worthwhile, credible material produced, and then decisions could be made. But my assessment was he expected that they would be going for the liberalisation – well, liberalisation of the laws in some way.

Then, having set it up, he had an initial meeting or two with the whole group and with Muirhead, and apart from Muirhead vanishing on occasions to his practice or whatever, I think they must have been meeting for about a year or something like that.

Probably, yes.

There was an arrangement to have a report in every so often and on a couple of those times the Premier met with Muirhead and/or Earle Hackett.

Yes. There was Sackville involved, too, Ron Sackville.

That’s right, Ron Sackville, yes. That was a very important thing.
He was the Chair.

He had huge credibility and so forth. I had the task of trying to keep them on time and on budget, and they had a very expansive view of what ‘budget’ meant, and I was told, ‘Don’t let them spend any more than the allocation’. And they were always trying to get around that and extend the terms of reference – well, this was particularly Muirhead rather than Sackville. Sackville was very straight-up-and-down. Apart from getting the timing all wrong, because it landed after the – well, it didn’t land after the consideration – get my words straight. They only reported very late, late in the time that Don was Premier. When they got the final report basically together but before it had been signed off and all the rest of it, they organised to brief the Premier, a particular, concentrated briefing, and it was arranged that there be an hour and a half of this, and they said, ‘Well, let’s do it at lunchtime and so he can have lunch with us’, and he said, ‘All right’, but wanted a proper briefing. And he and I went across to this briefing in their rooms and they lost the whole game as soon as we walked in the door because there was this absolutely lavish spread –

Oh, no!

– (laughter) me having spent months keeping them to their budget, and the Premier knowing what criticism he’d get, and there was lobster and there was this and that, and you could see Don, ‘(growls)’, you know, and he left early leaving me to choke on the lunch, I think. And of course that was it: he resigned and basically Corcoran said, ‘Well, Don’s gone, that’s the end of that’.

‘End of that one’, yes.

‘All these bloody reports, get rid of them!’

Yes, interesting. So that didn’t get terribly far.

Well, in a way it didn’t get very far; but if you want to give Dunstan a statesmanlike hat, whatever that means, one of the important things about major inquiries like that is to create agendas for discussion, and quite often the impact of them is five, 10
years later. And I think in many ways, even though there haven’t been a great number of avid students of the multiple volumes of the report, they have been particularly valuable over time to sort out a question that was never going to be sorted out quickly, anyway.

Yes, and it’s still toing and froing on tightening up or liberalising and treatment for drug addicts and all sorts of things.

Yes.

Interesting. We just talked about uranium, we just raised the matter a bit earlier and we’ve talked about it in some of the other parts of the interview. I just want to ask you the overseas trip that Don did with yourself, Ron Wilmshurst – was Ben Dickinson actually on the trip?

Yes.

Ben Dickinson. What was the upshot of that trip itself, some resolution – – –? I know the final upshot, but there was some statement apparently that was written about what everybody had concluded in their minds, anyway, about what they’d heard and seen and then how that led into the subsequent decisions on the uranium mining and all that.

Well, it was interesting because, in many ways, the trip was set up as an opportunity for the Premier to find out firsthand from a variety of people what was happening and what other people thought on the whole area of usage of uranium right through to waste disposal, I suppose. He had a clear public position on it in the sense that you had to look at the issues, that we had opportunities in Australia, there was the national commission that had been running and we’d been interested because of the known deposits in South Australia and so forth, but the bottom line was that you couldn’t go ahead with development of uranium or involvement in the nuclear industry unless you were satisfied that the safeguards were satisfactory, and safeguards on a whole variety of things ranging from nuclear weapons to disposal of waste in various ways, but it included things like just transporting yellowcake on State territory.
And it was a somewhat bizarre party, I suppose, if you look at the people involved. But Don’s approach was quite interesting, to have Ben Dickinson, who was, although astutely subdued in his presentation, his view was just ‘Dig it up and flog it’, and he’d been like that all the time. And he had been a main force in the existence of the Uranium Enrichment Committee, which Don regarded as a way of being able to contain Ben Dickinson’s enthusiasm but also to find out the status quo of the nuclear industry, or various aspects of it. Ron Wilmshurst was there as somebody who had expert knowledge about many aspects but not all aspects, and so we would have in a way enthusiasts for development who would have to also deal with people when he was inquiring about safeguards. And I’m not sure that we’ve talked about it before, but we had one meeting in London, almost a full-day meeting, with the British Atomic Energy Commission, which oversaw the whole nuclear industry there, and it was interesting because they were sprung twice during the day of just having told us rubbish and basically he – Don or I – had told them that and they offered us coffee and came back with a different story, and then we thought, ‘Well, that’s rubbish, too’, and they said, ‘Well, would you like lunch?’ And then came back with a different story. (laughter) And Ben and Ron sat through that and were great supporters and helpers, staff members if you like, saying, ‘These people are talking rubbish’.

Really? What was that about? The waste, or – – –?

Well, the safety of the nuclear industry. They were telling us that there hadn’t been spills and there hadn’t been escapes of radioactivity. In the first session, literally, you’d turn up at 9 and Lord Hill, I think it was, the Chairman, did all the pomp and ceremony and the proper deference to a state colonial representative and then said, ‘Here’s how we see the situation and here’s an expert, very, very senior person, can assure you everything’s okay’. And we asked some questions and so forth and then at the end they said, ‘Well, what do you think of that?’ And I said, ‘We don’t believe it’. And the Premier in that context, he was well-enough briefed, he knew the
situation: he was basically saying that. So ‘Let’s have coffee’, and come back, ‘Oh, well, we’ve given you what’s basically the situation but we know you’ve done your homework so here’s the next one’, and then that became more Ben and Ron, either directly or whispering in my ear, raising questions.

But there were things like we later on went up to Sellafield, one of the early nuclear plants. They gave us a site inspection there, and while we were going around there there was an area that had tape around it and that was so people shouldn’t go in, but it wasn’t walled off or anything. And we checked up there with somebody, you know, just chatting around while we were waiting to have a cup of coffee, and, ‘Oh, you’ve still got that difficulty over there’. And they said, ‘Oh, yeah, we’ve almost got it cleaned up. It’s a bit awkward, though, and it’s been lasting – – –.’ Whatever. And Lord Hill and his minions or his fellow directors had been saying no such thing ever happened. So that’s, in a way, a minor thing; but as you went through they’d been selling us a line, and because Ben and Ron were there it was very useful to have their assessment, demonstrating that they were aware of a lot of these things that the lobbyists were not telling us about – ‘lobbyist?’ – Atomic Energy Commission.

We also talked with URENCO, which was a three-nation organisation for enrichment of uranium, and they had actually spent a lot of time – and I was one of their, probably their main contact within the Government – making the case for setting up a uranium enrichment plant in South Australia, which made sense to them in two ways. One was that if the only way we would allow uranium to be developed was on our own territory they’d be the ones that would be doing it; and the other one was, given the changes in the world supply, maybe it would be a smart market thing for them to do. Now, these guys were much more sophisticated, much more realistic. They talked about problems, pros and cons about many things, and they were also able to debate with Ben and Ron and educate them in some ways, mutual education.

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3 URENCO – Uranium Enrichment Company.
Any rate, after this and looking at ultimate waste disposal in Sweden and so forth, the last time that the group was to be together was in Germany and Ben and Ron and I were to go on to the International Atomic Energy Association in Vienna, and the Premier was off on something else and then going home. On that train it was agreed that we’d have a joint statement or a joint version of what we’d found, and we all sat in these facing seats – not a separate compartment, but part of the train – and I got out my pen and started writing and every sentence was read out or read by everybody and checked and we went through, and if there were points of disagreement or emphasis or whatever they were discussed at that time, and we went through and then everybody had a thorough read of it and, ‘Are you happy?’ and ‘Any adjustments?’ and whatever, so by the time we got off from the train everybody there had said yes, we agreed on that statement, and that was the text that the Premier used when he reported back to Parliament.

Interesting, yes. And there’s a story I think by Haydon Manning or somebody that I forget whether it was Ben or Ron or both disowned that statement. Do you have any knowledge of that?

Well, I have heard in latter times something like that. If that was the case, then they would be reneging on something that they very, very, very explicitly agreed to. Like it wasn’t just, ‘Have a quick look at this’; this was over the course of an hour and everybody had been given an individual chance to do whatever it was, and that was it.

So it could be semantics about changing one’s mind later rather than disowning the statement itself as it was agreed at the time.

Yes.

But anyway, interesting.

But I think all involved were seasoned campaigners quite capable of making a judgment on the spot.
Fair enough. And just the final decisions, the Cabinet – was it unanimously agreed on the position that was taken, do you know? Or I guess it was consensus, there wasn’t a vote or anything like that.

Which decision was this?

**Well, not to mine uranium in South Australia.**

I don’t know the debate on that. And like the Premier came back, went into Parliament, made his statement and then he was in hospital and resigned and so forth.

**Right, okay.**

It seemed to me that, at the formal level, one of the problems was that Don had taken this on and he’d been expected to take it on as Premier to settle it out. He’d gone through a very formal process of getting his own department to coordinate with a lot of other people and do quite a large inquiry and report to Cabinet, openly available, so it was over quite a period, then gone through this overseas trip. But there were quite clearly people within Cabinet who would be upset with any decision to go ahead with development of any kind, and others who would go along if that was the judgment of Cabinet, and there were some that were in favour of it. Now, it’s not a surprise in many ways to have a situation where the Premier, who’s taken on the main task, resigns or is removed from the scene and the other people either say, ‘Well, it was all his problem, anyway. We can get that politically off our tables’, or just say, ‘Well, it’s too hard to deal with and why do we have to deal with it?’ and whatever. But I think also underneath it there were very few people in the Cabinet, and certainly in the Labor Party, who understood the ramifications of the project. Like if we’re allowed the benefit of hindsight, which I think we are this far away from it –

**Yes.**

– there are not too many people who protest every time a load of yellowcake goes overseas these days. Now, partly that’s ‘Well, you can’t do anything about it’ attitude, but in many ways the ideology was very mixed up or the ideologically-
based opposition was very mixed up – understandably – between concern about nuclear warfare and fallout from that, literally fallout from that; the stuffing-up of the nuclear industry, even apart from the American Defence Department doing this institutionally, there’s a significant amount of material went missing and goes missing every year called ‘MUFs’ – Material Unaccounted For – and then coming back into the concerns that nuclear power in itself could cause Chernobyl-type problems, or that in the beginning it’s uneconomic, because if you remember over this period there were power utilities in California going bust because they couldn’t afford to decommission their long-serving reactors. So there’s a huge mixture of things, it’s very complex, and one of the problems in a situation like that is a lot of people can have reservations for different reasons but they may not have put the effort in to really form their position. I’m not saying that if they did do that they’d all agree with (a) or (b); but they were uncertain, therefore the easiest option or safest option, the most circumspect option, is to shelve it.

And Hugh Hudson was the Minister of Mines at the time, Mines and Energy. Notwithstanding the statements that were signed by some of his key advisers – and I guess Bruce Webb, he was there as well probably wanting to see uranium mining as head of the Mines Department – do you have any recollection or idea that if Hudson would have been Premier there would have been a change of policy? Or was that just pure hypothesising? I’m just curious about Des Corcoran becoming Premier and whether the uranium policy debate, as it might have turned out if Hudson was the Premier, was a factor in him not becoming Premier.

Now, are you wanting me to talk about the balance of Cabinet or about uranium? I really don’t know.

Well, there was agitation from the left and there was Peter Duncan – and hopefully I’ll catch up with him about that at some stage.

Yes. Basically, I would have expected that, if Hudson had become Premier, that these issues would at least have been kept open and in a way kept constructively open in the way that Don kept them open, and even when it was not regarded as a live issue or contentious issue he was happy to provide an umbrella for people like
Ben Dickinson and Ron Wilmshurst to keep the Government in contact with sources in the industry and sources in the regulators internationally, so you can make a sensible decision in the end, either for or against.

I didn’t ever have enough interest in the politics of Cabinet, partly because it didn’t impact on my work very much at all because it wasn’t a divided Cabinet in which you had to watch your back because left was defeating right or whatever, it was a fairly settled one, and partly because the workings of the factions of South Australian Labor is not the most absorbing subject I can imagine. (laughter)

To cut to the chase, my understanding from Don was that a deal had been done, that Corcoran would be Premier for a short interim and that Hudson would take over. And Don seemed to be quite happy about that, regarding Hudson as Premier as a positive; he wasn’t looking at Corcoran as a negative so much but didn’t see him as a sustainable Premier, put it that way. And in terms of other people, that Virgo was all right with that and that was probably said to me knowing that I had had reservations about Virgo for some time as a sort of loose cannon on some things – I think I’ve spoken about that before – and, in terms of others, he was deeply hurt by Duncan’s activity, not so much on a policy issue as that he had gone out of his way and protected him and supported him to preserve his status within the Party and Cabinet and then – well, I suppose in Labor Party terms, ‘ratted’ on him: waited until he’d gone and did that. So in those terms it was more a matter of how the Cabinet and the Government would continue rather than the significance of uranium as the issue.

Right, I see.

And Don was already in hospital when I got back from overseas and in those days we weren’t sort of having detailed policy discussions, partly because it’s not the way we operated and it was, ‘Well, carry on. You know what to do’, but partly because I think he felt that he’d made statements that were defensible and supported by what he’d been doing for some time and they’d have some ongoing strength.
Interesting. Do you want to talk about his retirement at all, what you understood were the reasons for it? I’m just asking that because there’s some discussion, perhaps, that it had all been set up and it wasn’t genuine, and I’m just wondering what your knowledge and view about all that was.

Which particular part had been set up?

Well, just the illness, the retirement, and it was basically about getting out because Don could see his political future being rather less than optimistic, particularly after there was talk about this book coming out about him and Ceruto and his popularity waning and the Salisbury – – –.

Hadn’t the book about Ceruto come out before?

No, I don’t think so, no.

No? Wrong one. I’ve got my chronology wrong.

Why I’m saying that is when Corcoran was Premier there was one of the reasons for calling the early election was to get it out of the way, if you like – that’s Corcoran’s early election – because there was this story about this book getting released.

Well, I’ve got my chronology wrong, anyway. But my perspective was that Don was physically in a pretty drained state increasingly over the course of 1978, and one factor was the royal commission on the dismissal of the Police Commissioner. There was a lot of controversy, a lot of argy-bargy, a lot of passion, a lot of pressure. In the course of that he’d been called as a witness or called before the Royal Commission, as you’d expect, and he’d had a lot of pressure – like people sometimes forget that, even if he’d been Premier or in the public eye for decades, there’s still a lot of intensity and pressure in something like that; and, even though he had huge respect for the abilities of Roma Mitchell – or I said ‘even though’; because he had respect for her, he knew that whatever she was going to decide was what she was going to decide, wasn’t going to be swayed by eloquence from him. But Peter Ward had appeared at the Commission and said things that were deeply-felt and wounded him and, in Don’s terms, they were things that he didn’t think were true. And you can see that in the evidence that’s there. So that hurt him.
There was also the fact that his wife, Adele, got lung cancer or was discovered to have lung cancer, didn’t have very much longer to live, went through all the trauma of that and the sort of public/private coping with the grief of that; and, as the year went on, this was harder and harder. And even though he was a great person at – well, I think politely it’s called ‘cat-napping’, but maybe going to sleep in the middle of a discussion – towards the end of that year he was very much more under stress. He still was thinking very much about the future and clearing the decks and making bigger plans and so forth, but – – –. At any rate, by the end of the year he was very glad that it was coming to be the end of the year and that’s why I was quite surprised when I got a call from him saying, ‘We’re going on this trip. You’d better set it up’. Also, after his wife’s death, he found things amongst her possessions that were very wounding to him, and that distressed him. By the time we got on the plane to go, he was worn out; he had some sort of cold or something like that, but he also had another infection that was giving him trouble and he was on medication for that, and in fact when we were in London we had to find a doctor for him and get him treated for that. Plus the trip itself was reasonably intensive – probably less intensive than some other things he’d done, but yes, it was fairly full-on. So to me there’s a sequence in that that was quite believable with all that stress that he could have had some sort of collapse. But that’s about all. I didn’t ever question his medical situation.

Right, he didn’t talk to you about his medical advice he’d got or anything?

Well, he did talk to me about medical advice he’d got, but that was essentially that – in fact I think he even showed me his charts or whatever – but essentially it was a picture of a person under stress. And I don’t know how this fitted in, but he’d been given a talk or talks by his doctor – and I can’t even remember who the doctor was – about coping with death.

Really? His own, that is, or somebody else’s?

Well, I don’t know.
Or preventing.

Well, not in the sense of, ‘Don’t top yourself’; it was more that – like he was supposed to have had very high blood pressure and some other things wrong with him and after-effects of this infection, and there was a logical projection of that of, ‘If you keep on doing what you’re doing then you’re going to kill yourself. Is that what you want to do?’ Now, as an outside insider, that’s my perspective. I can’t say any more than that.

Interesting. You can’t say, or you – – –?

I can’t say.

Right, that’s all you know.

That’s the sum total. There were plenty of people hanging round the edges who were telling me things that didn’t gel. But that’s all that I know.

Yes. And his superannuation and all that sort of thing, did he ever talk to you about that?

No.

No, just parliamentary super.

No. I wouldn’t have thought that he would have to be worried about that.

Well, I was just asking because it’s come up as an issue. It’s this old thing about – from what you’re saying it’s a sort of, I’ll call it a ‘natural progression’: it had come to a point, as distinct from some sort of a planned thing that Don had in mind some time before he actually resigned and planned, still being genuine because of illness, let alone all these other stories that people say about the whole thing was staged.

Mm.

Okay. Just on one more area, if you have recollections, I just listed another major – I think you can call it a Dunstan initiative that had just happened to gel with the Federal Government’s thinking at the time as well, that’s the stabilisation of land prices. And that seemed to emerge in two ways: one was the legislation about land price control and the other way was the setting up of the Land Commission. I
think you were involved in a lot of those negotiations on particularly the latter, anyway; I don’t know about the price control legislation, which these days would seem highly radical but in those days there was price control –

Yes.

– so, whilst the development industry would have been horrified at the time, it was probably not so radical in context –

Yes.

– given the aftermath of the Second World War and price control and its continuation in various forms in the State. But, in terms of the Land Commission itself, was that something you see as a significant achievement or did it just happen that it emerged at the time because of quite favourable circumstances?

Well, it probably emerged at the time. I think the issues that were being looked at were quite significant. I’m not sure that the attitude to price control was as accepting as you were saying.

Oh, right. Okay.

I do remember at that time playing fast and loose, both as a journalist and later, with the role of the Price Commissioner because I found out that he set prices where he was required to set prices on no rational basis, because he had a very rigid technique of working on a base price and then increases of a percentage determined basically on CPI.4 CPI (a) is not a very good indicator, (b) the base price happened to be a spot price at the time when he started to regulate the price, which had no validity as a base price anyway – that happened to be the price of bread – and I think some of my ramblings precipitated the start of a bread inquiry, before I got into the Government.

With land, the issues had become national issues perhaps first, before South Australian issues, because of the late ’60s, early ’70s end of the Liberal Government, arrival of the Whitlam Government, where urban issues had been very, very prominent and McMahon in the last period of the Liberal Government had I think

4 CPI – Consumer Price Index.
been prodded into things like regional development strategies and cities programs that were not sitting comfortably but they had to have it because the cupboard was bare and Labor was going to win, which they did anyway. Most of those policies were based on deficiencies in Sydney and Melbourne and, to a lesser extent, Brisbane; and I think talking about Monarto we talked about how Don in McMahon’s day had jumped in and declared we’d have Monarto on very short notice. In some ways we’d dealt with these issues in different ways, but the fact that there was a national program and a national focus on them meant (a) that we were making sure that South Australia was in the swim, and to some extent this means that it’s fashionable, there is some public pressure to talk about these issues, what are you going to do? Well, you investigate it, and whatever. Some of it was much more inside and I think the strategy of setting up those two committees was more something that had been started within the Government or by Dunstan rather than imposed from outside.

This is the land prices organisation?

The land prices, yes. And the development of the Land Commission, because there was other work done on that.

Fundamentally, the Land Commission had been operating quite successfully in South Australia since the ’30s and it was called the Housing Trust, and it was doing land banking and had been extremely successful. One of the problems was that it was in the Housing Trust, and – if there hadn’t been the sort of sparks fired off between Ramsay and Dunstan – maybe, with different people involved, we would have had a Land Commission just as a subdivision of the Housing Trust continuing what we were doing; but partly because you needed to demonstrate you were doing new things and partly to get it out of that context, the focus was on how to match up absolutely with the Commonwealth program that was emerging, eventually through
DURD,\(^5\) and people like Pat Troy and others were involved, Michael Keating was involved at that stage, and others. In many ways it’s a great example of South Australia getting up quickly, doing its analysis, working out what would work locally and getting in early and getting funding and demonstrating that the Commonwealth was doing something, so ‘first in, best dressed’ and got some quite good results.

We made quite a few mistakes along the way in terms of the prices paid for land. One of the key things about the Land Commission, of course, is to capture development value of land rather than having it going privately, which is another way of dealing with the stabilisation of land prices. But the Land Commission inevitably drifted in towards becoming a developer itself and, even though it wasn’t a developer itself, it was getting into deals with others. And so, for example, on Golden Grove – this came up later – they had land, quite a large swag of land, which they/the Government, the Land Commission and the Government and the Planning Department, were negotiating with Delfin, the other partners, to put into the pot; and, instead of capturing the value, they were actually putting it in at rock-bottom prices, like current valuation. And that sort of showed up either as over-eagerness to get things done in a certain way or a naivety about it that, while they were set up to capture for public purposes increases in land value coming from rezoning and so forth, here was an example where they were throwing it away. In fact, that got to the stage where the whole deal was negotiated and went up to Cabinet and (laughs) basically Cabinet didn’t quite know what to do with it, and I was asked to have a look at it and I spotted a few things like that. I had to go and renegotiate this agreement, which was somewhat difficult when everybody’s signed up to it and say, ‘On the other hand, no, we don’t want to do it’. So there were some signs of, I suppose, lack of acuity in what they were doing. Generally they were getting a good job done.

\(^5\) DURD – Department of Urban and Regional Development.
There was also the complication of the Monarto Commission, which was operating at the same time, and then they were amalgamated I think, weren’t they?

Yes. Well, sort of.

Close to it, yes.

The remnants of it, anyway.

Yes. But the problem of all this, which I pointed out but they weren’t keen to take any notice of, was that, while that was a good entrance strategy to development and all the things they wanted to do, they didn’t actually have an exit strategy of how are you actually going to pay back all the money to the Commonwealth, which was part of the deal, and how do you stay solvent when you don’t have the cash flow? Now, this is something that the land held by the Housing Trust hadn’t caused problems [with] because they’d managed, they were used to the fluctuations in the South Australian market and where, as big developers as the Housing Trust, they could actually do counter-cyclical development. When the market was going down, they could judge the time to start building so it’d be ready for when it was coming up, and so forth. The Land Commission didn’t ever address that problem, and of course when we had a big financial crash or constrictions or whatever term you want to use they were caught short, and so it undermined the whole credibility of that sort of approach – which is a pity, because I think there’s an ongoing validity for it; but, because of that lack of planning, it got into big difficulties.

Yes. Sort of compromised in its commercialism as well, I suppose.

Yes, and – well, this is going on into later times – an accentuated version of that was the Ramsay Trust, which had a more specialist role, where it very much depended on the difference between real and nominal profits, which they hadn’t spotted, where it came a cropper, too.

Yes. Interesting. Was there anything in the discussions with the Commonwealth that are worth recording, or was it pretty well like minds just sorting out a deal?
You couldn’t have like minds sorting out a deal, because these, in those days comparatively highly-paid, first assistant secretaries who seemed to live their entire lives on jets decanted from a jet at a certain time of the day and came to have negotiations and they had to have their own way. Well, they had basically convinced themselves that, as a new department, people brought in from elsewhere because the existing Commonwealth public sector didn’t know anything about it, they knew more than anybody else; so they had to be humoured and sabotaged at the same time. So essentially we found ways in which we could agree with them in many ways, but we fought off other things. Essentially, they were very bright people; they had a good grasp of the generalities, but quite often could have done with a good dose of feet-on-the-ground-type experience.

_Were there one or two instances or examples of that that we ought to get on the record?_

Well, it’s called the ‘Land Commission’. (laughs)

_No, I mean some of the things that they weren’t sort of aware of or were heading off in the wrong direction on._

Well, I don’t know that I can bring up very detailed examples. But a normal thing would be that (a) we wanted the money and (b) we wanted to use it for similar purposes but (c) we wanted to use it for things that made sense for us. And so we tended to be arguing points about doing it in the South Australian way with matching money from one thing to another, whereas they were more intent on setting it up as a particular model that would match what they wanted overall.

The same people, I guess the best example, there was money for water and sewerage developments – well, basically for sewerage, but it was water and sewerage – because there were a lot of suburbs in other cities that were developed with no deep drainage and they had no public services and whatever, and they had funding just to do particular bits of infrastructure in certain areas, and it was catch-up stuff. We’d already done it, but we still wanted money, thank you very much. And they were
saying, ‘Well, it’s not available, it’s not available for that’ or ‘You can’t spend money on social services’. The model that the Housing Trust had set up and our own integrated urban development was to have basic suburban facilities in place and schools available and made roads and so forth instead of a sort of fringe ghetto which gradually got up to standard. That was particularly where we were wanting to be able to spend money on those sorts of things and not just on the physical development. But, coming back to the water, the advisers were very keen for us not to have any money because we already had water and already had sewerage, so how can you get money?

So I do remember one time the Premier invited Tom Uren, and there may have been one other politician, to come with his officers and we’d have a big discussion with the Premier and so forth, and the Premier organised it to be in the Cabinet Room where there is a door with a sort of entrance lobby and another door looking onto the middle of the cabinet table. And we organised first of all to have a meeting in the Premier’s Anteroom which was all very social and the old guys getting together and swapping stories and ‘Great you’re in power, Tom’ and all this sort of stuff, and then going in with the array of officers all having this formal meeting. And the Premier had told me to make sure that we got to the water thing at a certain time, all right? And he wanted the doors open. ‘What do you mean, the doors open?’ And these are self-closing doors which are very strong, it’s very difficult to organise. But anyway, he was quite insistent on that. But he’d organised that we would be in train, about halfway through the water discussion, by which time he would have made his statement and Uren would have started making his. And, as he was talking – Tom Uren had his back to the window, to Victoria Square, and he was looking from the centre of the table out through these doors into the lift lobby – and as he was about to get beyond the pleasantries of telling us whether we’d have water or not he started saying, ‘Oh! Hi’. And then, ‘Oh, where was I?’ And then, ‘Oh! Hello’. (laughter) And I think there were five of the people. But what Don had organised was that all the backbenchers from the relevant areas in South Australia were walking past the
door saying ‘Hi’, and Don had spotted that Tom Uren was having a bit of problem getting support on a variety of things federally and he needed these people’s votes, and they all just walked past. (laughter) And Tom very rapidly gave us the money.

**Interesting story. Good. Thanks very much for all those recollections about all these areas. I was just wondering, Bruce, whether you wanted to round up some of these recollections by just a general statement on what you saw as Don’s major legacies, or do you think you’ve covered it earlier on?**

I don’t know. It’s very difficult to sum up – you know, ‘You should write a carefully-worded piece which everybody could sign on the train’ or something. To me, there are lots of things that you can say and recall about Don, but some of the things that are probably most important about him are the effect that he had on people and the way they thought and felt. I can remember soon after I became his Executive Assistant he wanted to go to Victoria and New South Wales and Canberra, and partly it was about uranium – public meetings were being organised about safeguards in the use of uranium and this was the time of the Fox Commission. But – you should be able to track down the time of this – but there was a federal election coming on, or maybe it was a by-election, I can’t remember, but we were in the not quite the backblocks but somewhere like Dandenong and places like that in Melbourne, and Don walking down the street attracted a crowd. I don’t mean a hundred people, but people were coming across the main street and wanting to meet him or wanting to see him or shake his hand or something like that, and it was quite extraordinary to me because there was just four or five of us walking down the street and this was happening. And it happened just about everywhere we went. And there was this – well, I suppose these days we’d say ‘pop star’ thing, but he really had a national persona and it was not so much that the big businessmen were clampering to meet him, though a certain amount of that was happening; the thing that struck me was just ordinary people responded to what he was saying. And this was replicated less in Canberra, because they’re all public servants there; at other times – in fact, it happened in Brisbane, he’d had a lot to do up there as well.
Also, during his time, he played quite a significant role in supporting colleagues in Queensland, particularly; some were in New South Wales; but also Victoria, as John Cain was preparing for Government he came across with a posse of people and wanted to know ‘How do you do it?’ It was not ‘How does Don Dunstan do it?’ but ‘What is the way to manage government?’ In John Cain’s usual way it was extremely serious and very focused. But these were people who were seeing not the minutiae or the manoeuvrings or whatever, but their perspective was that this was a person and a way of doing things that was very significantly different. And I think if you look at it from arm’s length it certainly was that, and there were lots of things that he was on about at the time that these days have become ho-hum but were extremely controversial in his day; and whether he had great foresight or it was just his personal expression or what is hard to tell.

Sometimes people say, ‘Well, he didn’t really have these thoughts himself. He was picking things up from elsewhere’. I think there was a fair element of that, too, but I guess a good leader is perhaps somebody who doesn’t lead from absolutely the front but from close to the front so that he’s quite prepared to be dragged along or enticed along by people with brilliant ideas in a whole variety of areas. But overall I guess it’s the package. You could find parts of it that you didn’t like or didn’t think was important or whatever, and he and the Government were far from perfect, but overall it’s very difficult to think of any other figure that’s managed to push ahead with new things, manage things pretty well, over basically a 10-year period. There are plenty of people who’ve clung onto power or held onto power and managed to achieve a certain number of things, but not in that way. And in some ways it’s, to me, a real expression of him personally – his upbringing, the sort of Adelaide–South Australian context – but also very international in some ways, but an internationalism that’s in ways very parochial. He didn’t want to be international by going and doing it somewhere else; he very much wanted to concentrate on his own home State: understood it well, developed its traditions, made life a bit more exciting – or distinctly more exciting on occasions – and changed a lot of long-held beliefs, for
better or for worse. But on the whole we, I think, are constantly reinforcing his contribution by continuing it and copying it.

Bruce, thanks very much for your contribution to the Oral History Project. That’s the end of our series of interviews with Bruce. Thank you.

That says ‘Shut up’, doesn’t it? (laughter)

END OF INTERVIEW