Chapter 6 - Australia/New Zealand Public Servants: Mates or rivals?

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I am going to talk tonight about public service matters, and the relationship between Australian and New Zealand Public Servants. This is because I am a life long bureaucrat, and my mind tends to turn to public service type issues.

For example, last month when hurricane Katrina was battering the state of Louisiana in America and we all watched the story unfold, my mind turned to public service related questions. I wondered how well prepared we would be to meet such a problem. I wondered whether our City Councils would cope with such devastation, and whether our Police would stay on the beat. I hope that our liaison between the central and local governments would be more robust than that between the New Orleans Council, the Louisiana State Government and the American Federal Administration.

The media, perhaps reflecting the wider interests of their readers, did not focus very closely on such matters. Instead, they looked at people and their lives. In particular, as I imagine may have happened here in Australia, we heard stories about New Zealanders who were caught up in the disaster. Besides some Kiwis it included a few residents, some backpackers and some older tourists.

During aftermath of the event, one of the most widely reported stories in the media was related to a young New Zealander who was rescued from the chaos at the New Orleans Convention Centre by an Australian media crew.

Notably, some of the most widely reported stories in the New Zealand media were related to travellers and citizens from other countries being assisted by both American and International media crews. In particular, the assistance provided to New Zealanders by the Australian media was seen in New Zealand as a very friendly act between good friends, which it was.

But my public service mind turned to the question of whether this level of friendship, or mateship, could be expected to prevail between the public services of our two countries, Australia and New Zealand. Can we naturally expect that we will help each other out in all circumstances and always immediately understand each other's needs? Does that degree of friendship exist between Australian and New Zealand public servants, what is the 'proper' relationship

between us and what is needed to ensure that the best and most effective relationship is maintained?

I want to discuss the relationship between the public services first in the context of the relationship between New Zealanders and Australians in general. I will move on to look at the interests and drivers that particularly affect the relationship between public servants. I will then conclude with some thoughts about processes and initiatives that we could each pursue in order to strengthen effective relationships.

Turning first to the contextual essence within which our public services interact is a close relationship between the people of two nations. I do not intend to attempt to sum up that relationship. That is the business of politicians. I certainly do not intend to review the mystery of our 'identity'. That belongs to academics and artists. And I will not even attempt a more analytical summing up of our national interests and programmes. That is for diplomats. I am a mere public official, and I want to focus on the way in which our two respective officialdoms interact.

The picture is overwhelmingly positive in that New Zealanders and Australians move freely between our two countries and mix together in many contexts. Statistics from the last few years show that nearly half a million New Zealanders live in Australia, and fractionally over one *tenth* of that number of Australians live in New Zealand. This means that over two per cent of the Australian population is made up of people described as New Zealanders, and over one per cent of the New Zealand population are Australians.

It is not a matter of migration: there are also very large numbers of short term movements, facilitated by the free movements of people across the Tasman. There have been special arrangements between our respective governments for travel since the 1920s and these were formalised by the *Trans Tasman Travel Arrangement* in 1973. The effect is substantial. Trans Tasman tourism accounts for approximately half of total arrivals and departures in New Zealand every year. That is, Aussies coming to ski at Queenstown and Kiwis going to sit on the beach at Surfers. It is Aussies coming to see a green country and Kiwis coming to see a red country. It is Aussies and Kiwis going to visit friends. This is an example of the friendship between our two peoples.

Evidence of this is found in the recent Cosby-Textor 'mood of the nation' poll which was conducted in August 2005 in Australia. It surveyed some 500 Australians. They were asked to assess various nationalities on a range of characteristics. When asked which nationalities were likeable, New Zealanders scored the highest, with 90 per cent of those surveyed rating New Zealanders as likeable. 88 per cent scored New Zealanders highly for our shared values, and 79 per cent identified New Zealanders as honest and trustworthy. In all these respects, New Zealand scored higher than any other nation.

In another poll this year, conducted by the Lowy Institute, Australians were assessed on their positive regard for various countries. Understandably, the most positive assessments went to countries with which Australians have longstanding, deep and stable relationships. Europe had an 85 per cent positive rating and the UK was 86 per cent. New Zealand scored highest with a rating of 94 per cent.

Clearly such ratings must fluctuate, depending on events for the day. For example, feelings ran strong after the collapse of Ansett Airways Australia, and because of Air New Zealand's involvement New Zealand did not receive positive stories in the media. Similarly, whenever we in New Zealand are impertinent enough to win some sporting event it can lead to strong feelings at the pub. But there are strong aspects of our history which will tend to underpin the relationship between our two nations as formative parts of our history are shared.

We share our British colonial experience, our commitment to democracy and our tradition of the Common Law. There are strong economic ties, especially in banking, and the Closer Economic Relations Agreement has provided bi-lateral free trade in goods and services between our two countries since 1990.

Our troops, police and diplomats have stood together in many contexts, especially around the Asia Pacific region. For example, in the Regional Assistance Mission to the Solomon Islands, Australian and New Zealand support was critical in facilitating the cease fire. Neutral venues for negotiation between the parties were provided on *HMAS Tobruk* and *Newcastle*, and also *HMNZS Te Kaha*. Since July 2003 the Australian-led regional assistance mission has worked jointly to restore security and effective operation of Government, with a major commitment from New Zealand. We are currently providing a \$20 million per annum aid programme, around a \$7 million police support programme with about 35 police officers, and support from our Defence Force.

Earlier this century, Australia and New Zealand worked actively together in East Timor, where New Zealand had a battalion with armoured vehicles and helicopter support. For three years that group worked alongside Australia to bring security to East Timor.

As we look forward, our defence forces plan co-operatively together. In practical terms, this has meant New Zealand purchasing equipment the same as or compatible with Australia. For example, in 2004 New Zealand signed a contract between the New Zealand Government and the Australian ship builder Tenix, to build seven new ships for the New Zealand Navy. The New Zealand Government has also announced its intention to purchase NH90 helicopters, and as the Australian Government has also selected the NH90, this ensures significant co-operative benefits for both nations. Then there is sport, which does not just extend to people as we share common interests in horse and harness racing and bloodstock.

The picture is almost complete, except for language, where, in Winston Churchill's famous statement about Britain and America, we are two nations divided by common language. Though hardly anyone else around the world can tell the difference, Kiwis and Aussies can usually identify each other by our accents straight away. And if you are not sure, all you have to do is suggest a meal of fish and chips to sort out the identity problem. And all Aussies and Kiwis quickly learn the importance of never counting items together, or if they do, we should never count to the number beyond five, because inevitably it leads to serious social confusion.

So, if language is the only significant difficulty in the context between us, surely it must be automatic that our two public services can always operate as one. It must be possible for us to circulate between each other's offices and jobs. After all, there are currently four Australians occupying positions as head of New Zealand public service departments and one of them has recently adopted New Zealand citizenship.

As I move from the broad context to consider relationships between our public servants, it is not hard to find examples when things have not been as happy as one would hope between two close friends.

So what is it about public servants? Are we just naturally unreasonable? Are we uniquely selected from the argumentative people of our two societies? Of course, that is not so. The reason for continued difficulties arising must come from the jobs we do and the interests that we represent. So, are there interests that drive us apart and propel us into different positions?

Clearly there are differences. At the most basic level, we may be close, but there are differences in our locations. We are both surrounded by water, but Australia is very close to the nations of your immediate north, and those nations have significantly different cultures to the common Trans Tasman culture. Additionally, a New Zealander must fly the Tasman before we arrive at another country, and that country is Australia.

There are differences in endowment. Australia has a vast land, mostly dry. New Zealand has a small land which was memorably described by a former Prime Minister as 'pluvial'. As a result, though we both have significant agricultural interests, the importance in New Zealand of pastoral and horticultural trade is much more relatively significant than it is for Australia.

There are also some differences in world view. New Zealand's adherence to a nuclear free policy has contributed to a difference in our foreign policies. We both stand for and defend freedom and democracy around the world, but Australia's alliance with the United States is stronger than New Zealand's connection.

But none of these differences are determinative. I suggest the difference is much simpler and more basic. The essential difference is that Australia and New Zealand are two separate sovereign nations. We will each decide our own future. And as those decisions are made it falls to public servants to give effect to those decisions and to give effect to whatever differences that might arise between our two nations.

It is obvious that it would be public servants who feel the difference most acutely, because it is public servants who give effect to and live by the respective sovereign decisions of our two governments.

In this respect we should remember that the basic characteristic of sovereignty is that there is no lawful means for one sovereign nation to impose its will on another.

As you know, states within a federation can resort to processes to resolve differences. This might involve the law, or changes of government through the ballot box. Separate sovereign nations, however, must rely on persuasion, and the effectiveness of cool and rational persuasion is always undermined if there is some emotional overlay or tension. In my experience, there can be plenty of tension. And some of that is generated specifically by doubts about each other's attitudes to sovereignty.

There are, for example, many New Zealand officials who believe they know Australian officials who cannot accept that New Zealand is a separate sovereign nation and not a state of Australia. And what is more, not only do those New Zealand officials believe this is the attitude of those Australian officials, but it may be true that the Australian and New Zealand people are of the same belief.

Conversely, I have come across Australian officials who believe that New Zealand officials are so precious about New Zealand's sovereignty and so suspicious of Australian actions, that there is no point in attempting to do business with us. Once again, it may well be that there are New Zealand officials who do in fact hold such defensive views as are imputed to them by those Australian officials.

All this is a rather convoluted way of saying that sovereignty is the point. The fact that we are sovereign nations, whose writ does not run in each other's nation, means that if we are to conduct business, we must do so diplomatically. Oddly enough, diplomacy is not necessarily made easy when there are very strong and warm people to people relationships. On the contrary, it is the very fact that our two populations get on so well together that creates extraordinarily high expectations in the quality of the relationship between public servants. When we cannot meet and maintain that high quality relationship, then our disappointment leads us into a potential for mutual frustration and recrimination and this leads to disappointment when there is a loss of trust between very close friends that may lead to real bitterness.

The message is that it is up to us as public officials to maintain the highest level of professionalism in our relationships so that misunderstandings are avoided and opportunities for co-operation are pursued. And this brings me to the third area of my speech which is my menu for a Trans Tasman official's relationship. I believe that, in a context of a warm people to people relationship, divided by the imperatives of sovereignty, it falls to Australian and New Zealand public servants to maintain a strong and effective professional relationship. In doing so, we have the benefit of some great modelling by our political leaders. The relationship which Australia and New Zealand have is better developed and more extensive than that between any other countries.

Our two Prime Ministers meet annually and consult frequently. For a number of years the Foreign Ministers have met twice yearly to discuss the overall relationship and foreign policy co-operation. Our Trade Ministers and Defence Ministers have met annually for some years and our Finance Ministers have started to meet annually.

New Zealand Ministers are invited to participate in many Ministerial Council Meetings in Australia on domestic policy agendas. This means that our political leaders have many connections which can be drawn on when necessary.

As well as these political connections, the private sector is taking a lead. In the last couple of years the Australia New Zealand Leadership Forum has brought together major figures from both sides of the Tasman for a couple of days of in-depth informal discussion. This is already improving understanding in both countries and stronger networks are developing.

So, with that lead from political leaders and the private sector, my question tonight, is 'what can we do to make sure that New Zealand and Australian officials have connections and institutional frameworks which will work to minimise misunderstanding and assist resolution of difficulties?' I have a suggested recipe with three ingredients.

The first ingredient is that, when we have two groups of public servants who must sometimes work together across the differences of sovereignty, it is valuable to build networks, especially by learning together. That is why the Australia and New Zealand School of Government is a fortunate and timely opportunity to build networks.

In each of the last three years New Zealand has sent 20 students to join 100 Australian students in the Executive Masters in Public Administration Course. We have sent 15 senior officials to join some 65 Australian senior officials in the Executive Fellows Programme. And next February, I expect to send half a dozen New Zealand Chief Executives to participate in the first ANZSOG Chief Executives Forum, among 30 participants all told.

All of these events are developing highly trained people with shared experience and new networks. We, in Wellington, are already seeing the benefits as more of our staff understand aspects of the Australian system and know more people to contact in times of difficulty. Building networks always helps when building diplomacy.

The second ingredient is to build shared experience through co-operation. This is not new. New Zealand and Australian officials have worked together in many contexts. In defence and security, we have stood together in many battles since Gallipoli. In diplomacy, our diplomats very often work together in the United Nations and in trade. For example, we are both currently negotiating a Closer Economic Partnership with the 10 member states of Association of South East Asian Nations (ASEAN) to facilitate trade flows between Australasia and South East Asia. We have also acted jointly in the past, for example, in a complaint to the World Trade Organisation (WTO) against the US lamb safeguard mechanism.

But even more importantly, we increasingly see co-operation between New Zealand and Australian agencies on joint issues. For example, we now have very close co-operation on passenger processing arrangements. When people check in on flights between Australia and New Zealand, information is exchanged in real time about the passengers and their documentation. Any necessary measures can then be taken before the plane leaves either New Zealand or Australia. This requires very close co-operation between officials of both countries, supported by compatible information technology systems and close sharing of information. That requires constant maintenance of relationships so we can each take our own sovereign decisions.

There are other examples involving the development of joint accounting standards, harmonisation of business law and related areas. Taken together this amounts to a significant agenda to achieve a joint ideal of a single economic market.

The third ingredient, where sovereign nations must respect the fact that we cannot require the other to accept our will, is to devise means by which we can agree to make joint decisions. The evolution of joint agencies, such as Food Standards Australia New Zealand is an example of this.

The most exciting example of this is the proposed Australia New Zealand Joint Therapeutic Products Agency. This has been some years in the making, and was agreed between our two governments a couple of years ago. In the period since, officials have been working to design the details of the joint agency. The process has not been easy. It turns out that there are significant detailed differences between our countries. For example, the Commonwealth Authorities and Companies Act contain different provisions from our Crown Entities Act. These differences include the extent to which we rely on formal and informal sanctions against appointees to public bodies. That has not previously mattered as we

relied on harmonisation of rules, but if, through a joint institution, we are to make joint rules, then we need joint authority.

The work of designing the joint institution is difficult, but is well worthwhile, because we both stand to make gains in economies of scale. And a joint institution which draws its authority equally from the governments of its two member nations will maintain our two sovereign interests, while allowing public servants to work together. If we can get this right, we may have devised a new and robust way for the public servants of both countries to work together to meet our mutual interests.

So, that's my menu. First, we build networks and learning through ANZSOG. Second, we co-operate on as many issues as possible. And third, we devise institutional structures which respect our sovereignty and allow us to work together for the common good.

We need all three of these ingredients, and possibly more, because we are mates, but at the same time, we can be rivals. As loyal servants of our respective sovereign governments we can serve our nations and work well together for the mutual good.