

NOTE FOR THE FILE

PRIME MINISTER'S AND CABINET DEPARTMENT, AUSTRALIAN FEDERAL GOVERNMENT

1. Sir Derek Rayner received Mr R W Cole, Chairman of the Australian Public Service Board, accompanied by Mr K Hollis, the PSB representative in London, on 25 September. Later in the day he also received Mr R Whitney, MP in response to the latter's letter of 28 August on the possibility of a "Prime Minister's Department" in the UK. This notes records the relevant parts of the discussion.

Mr Cole

2. Mr Cole said that PM&C had formerly been like the Cabinet Office here, but over recent decades it had developed increasingly, at the instigation of PMs looking for alternative sources of advice, a political advisory role. Messrs Gorton, Whitlam and Fraser had, in particular, pushed it forward in this way.

3. The Department now consisted of the Cabinet Secretariat and nine divisions, each shadowing a main policy area, eg the Economic Division covering Treasury, Trade and Industry, and the Foreign Affairs Division.

4. As the PM was supposed to be neutral in matters of inter-departmental business, his Department played a large part in chairing inter-departmental committees at official level. Committees, whether chaired by Ministers or officials, played a major role in government and P&C officials had an influential part here because they were close the PM.

5. Mr Cole made two points on which he did not want to be quoted personally:

a. Because Cabinet work was onerous, especially when Parliament was sitting, there was a good deal of work for PM&C to do. This meant that policy work already done by departments in preparation for

Cabinet or committee discussion was re-worked at AS level in P&C. This caused great resentment in departments.

b. PM&C recruited more than its fair share of the best talent available. The intention was that people should move in and out of PM&C, but in fact they tended to stay there. This also produced ripples in the rest of the Service.

Mr Whitney

6. Discussion was not confined to Australian experience but this note is.

7. Sir Derek Rayner said that he understood the PM&C had grown to some 400 staff in nine divisions, manned by a mixture of transfers and direct recruitment, all supposed to be of high calibre. He understood that its function was to provide an independent and informed view of the options and priorities and counter-brief when necessary. But it did not seem to be involved in doing the sort of things directly relevant to his own remit in Whitehall. The Australian "centre" seemed to be even more divided than in Britain, ie two Treasury departments, a Cabinet Secretariat plus PM's staff and the Public Service Board.

8. Mr Whitney said that his advice was that the centre and the collective will were stronger in Australian than in Britain. The Treasury voice was heard at the centre, but not excessively loudly. He would hope that one result would be better briefing for Cabinet. He believed that the British PM should have a staff acting as a policy gadfly.

9. On the efficiency issue, he said that the PSB was a mixture of the British CSD and CS Commission, but that the Chairman worked to the PM through the PM&C. The Australian PM could thus exercise a direct control over manpower and personnel

through a department carrying the collective weight of the Cabinet. Sir DR said that his impression was rather different, namely that there was little day-to-day contact between PM&C and PSB, the Chairman of the latter being in touch with the Permanent Head of the former only when it was necessary to prepare the ground.

10. Mr Whitney suggested that the role of the British Cabinet Secretary was defensive whereas that of his Australian counterpart was more positive. He acknowledged that the way the PM&C worked caused resentment ("hatred" in the case of Foreign Affairs) but said that this could be better than the British situation in which the CSD, for example, did not frighten anyone.

11. Mr Whitney argued against merging the British Treasury and CSD on the grounds that it would clog up Treasury Ministers and that, in any case, the PM and Cabinet now needed a "collective punch". He thought that the behaviour of the Cabinet indicated "narrow vision"; that CPRS was not functioning as it had been intended; and that "an active Prime Minister's Department would create another set of dogs". He also thought that, presentationally, the existence of a PMD would make the projection of government policies much easier than at present.


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