

## The Little Green Book

Don Russell, *Leadership*, Monash University Publishing, 2021

I

Why is the Morrison Commonwealth government plagued with problems of “programmatically laziness” and incompetence in relation to aged care, vaccination and the lack of quarantine stations around the country? If you want to move beyond just political partisanship the answers lie in this very important book. The Morrison government has created ministerial offices that are not properly linked with the capacity of the Australian state through Federal departments and public servants. Probably from the Abbot government onwards, but maybe even before under previous Labor governments, the temptation has been to surround Ministers with outside consultants, public relations people and the professional political classes. Politics has become all spin and no capacity for delivery.

This is just one of the insights of Don Russell’s “little green book”. I used this phrase advisedly because one of the famous turns of phrase emanating from the Prime Minister’s office when Russell was its chief was “precis please”. There was never enough time to read great tomes of policy advice. Things had to be synthesised, and in keeping with that, Russell’s *Leadership* barely wastes a word. Yet like a master chess player’s gambit, the feeling for bold departures and multiple possibilities is there.

The book is also valuable because it provides an insight into one of the nation’s most insightful can-do leaders. Russell is currently chair of Australia’s largest superannuation fund *Australian Super*. Over his career he has worked for four Prime Ministers, a Premier and 21 different Ministers in the Federal and State spheres. In between his stints in public policy he worked for fifteen years in asset management and superannuation and was also US Ambassador from 1993-1995, where he created a relationship between Prime Minister Keating and President Clinton that was spoiled only by Keating’s electoral defeat in 1996.

II

Many of Russell’s lessons draw from the Hawke-Keating Federal government perhaps the most productive and exciting period of the Australian Commonwealth government. It is easy to glorify the Whitlam government which in its short reign from 1972-1975 created a virtual revolution of Australian society. But it was Hawke and Keating that gave Labor a reputation for leadership and good governance at the Commonwealth level that has not been surpassed. That period from 1983-1996 remains a benchmark for future labour governments and who could have known how badly, over two decades, Commonwealth and national public life would deteriorate? Subsequent Labor and Liberal governments’ would move towards opinion poll driven politics and, just as the quality of government declined, so too did the quality of public debate in general.

Yet for all the Hawke-Keating governments’ longevity and success, any Federal government involves a Canberra bubble of insiders and one of the flaws of the Keating government end stage was that it mistook its general high esteem in Canberra and among national policy elites for the views of the voting Australian electorate. Pamela Williams book *The Victory* was the definitive story of how the Keating government was wrong footed..(Williams) With *Leadership* you get a dose of the elegance of the Keating/Russell strategies as well as the discipline and the final tragedy of that 1996 election really

comes flooding back. It was notable that when Russell became US Ambassador from 1993-1995 things slipped precariously in the Prime Minister's office. Pamela Williams wrote the Prime Minister "seemed to be on a transcendental high, cruising in his mind and remote from the government" and that the Prime Minister's office was not operating in a collegial way. (Williams: p. 29-30) Notably, it was Don Watson who best understood the effect of Don Russell's departure to Washington.<sup>1</sup> **Leadership** is also a telling testament to that truth.

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Russell was trusted completely by Treasurer and then Prime Minister Paul Keating far above his political colleagues and even Keating's own political factional allies. He was an enigma for the Labor Party – highly qualified, competent and recruited from Treasury. Famous for his low key approach, Don maintained discipline within the government and was content to stay out of the spotlight as much as possible. We have had to wait over 20 years for this characteristically modest 26,000 word contemplation titled "Leadership" to get his take on the world then and now. The book reveals some of the internal secrets of the Hawke-Keating era and is also inspired by his time working as a departmental secretary in the Federal government and the secretary of Premier and Cabinet in the Weatherill South Australian Labor government.

Russell himself is worth thinking about. He was not appointed to Keating's office as an act of politics but as an inspired choice. Keating never made a better appointment. Russell had an outstanding academic record. He graduated from Flinders University with a Bachelor of Economics (First Class Honours), completed a Master of Economics at ANU and completed a Phd at the London School of Economics. He was a Treasury economist at a time when Paul Keating was relishing his role as Federal Treasurer. Keating's was a remarkable transformation. He entered parliament in 1969 at the age of 25 and had previously been associated with the old time nationalist socialist Rex ("Tyranosaurus", "Strangler") Connor in the Whitlam government. When Russell joined his office in 1985 as private secretary, Keating became a master of neo-liberal market theory that would have made Rex Connor turn in his grave. It was a necessary modernisation.

But there is an even more important back story.

Don Russell's father, the distinguished economist, Professor Eric Russell, was like his son, a quiet power. Professor Russell was Head of the Department of Economics from 1966-1975 and was known as a gifted teacher. He used his lectures as a place to explore the wool boom of the early 1950s, balance of payments, import controls, Australia and the European Economic Community, distribution issues (most noticeably incomes policies), education, international investment and the energy crisis of the early 1970s. He was an elegant political economist not a theorist. Some say that along with Geoffrey Harcourt, Eric Russell best conceptualised how the small Australian economy worked and how in the 1960s and 1970s it responded to external shocks. It is not well enough known that Professor Russell's arguments for adjusting money wages based on productivity and prices controls before the Arbitration Commission

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<sup>1</sup> "Donald had been with Paul for a very long time, right through Treasury, and he had the provenance and he understood the mechanics. He had a kind of mystique and he was a respected friend of people like Bill Kelty as well as being able to talk to the people at the banks. When he left, all that knowledge and the links went with him". Williams, P. The victory : the inside story of the takeover of Australia.

through ACTU advocate Hawke was the foundation for the famous Prices and Incomes Accord of 1983. So as Don Russell played a role for Treasurer and Prime Minister Keating, Eric Russell played an enormously important role for Bob Hawke.

There is probably a lot more that will be written one day about the dynamic of Don Russell in the day-to-day operations of Australia's arguably most successful period of Commonwealth labour government. Russell was Keating's loyal supporter during the leadership contest between Keating and Hawke, however there is no doubt he must have felt how crazy it all was. Interestingly he writes tellingly "Hawke and Keating renewed their relationship before Hawke's death in May 2019, which gave the two men the opportunity to once again share the extraordinary success that they had together, a success which helped build modern Australia." (Russell 2021: p 73)

There was a lot that Paul Keating taught the young Don Russell and vice versa. Towards the end of their time together in political office they would sometimes finish each other's sentences. (Williams: p.43) And there are signs in *Leadership* of their closeness. Don Russell observes "I used to watch Ministers walking to the Chamber for Question Time with the bells ringing, clutching their folders and with a look on their faces which said "Is today the day I destroy my career?". (Russell: p2) This recalls something that Sir John Bunting told Paul Keating in the old parliament: "Holt died a thousand deaths at every appearance in question time and hung on to his brief like a life vest" (Bramston 2019)

## IV

The nub of the book is deceptively simple: success in politics comes from the extent to which government operates seamlessly, therefore the relationship between Ministers and the government in general and the public service is all important. But politics is not for the faint hearted: "All political careers end badly." and "Conflict is the nature of all politics." (Russell 2021: p2-3) Russell divides politicians into a gradient of "pleasers" and "doers". His view is that "pleasers" live a miserable life never able to completely satisfy anybody, whereas "doers" can go out of politics with a legacy that makes the tumultuous nature of public life worthwhile. A legacy must stand on its own and be respected by all.

The leader of the government's main task is to manage the cabal of "doers" and "pleasers" in the Cabinet and to wrangle out an identity and vision. Russell notes that the Chifley and Menzies era was the era of the mandarin or all powerful public service departmental secretary. In this period departmental secretaries like Nugget Coombs reigned and were more trusted than Cabinet Ministers. From the Whitlam and Fraser period the power shifted to the Ministerial office and this saw the rise of the ministerial adviser. In the Hawke-Keating era public service pay scales and ministerial advisory pay came into sync through the MOPs Act of 1984. This led to one of the decisive factors of the Hawke Keating era, public servants could move in and out of Ministerial offices with little disruption to their careers. Though after the Keating era there was a real effort on the part of the incoming Howard government to thoroughly purge those who moved from the Keating Ministers office back into the public service. All this represented a shift of governance: "In the old days if the Secretary did not get on with the minister the minister moved. Then it became if the Secretary did not get on with the minister, the Secretary moved. Now if the Secretary does not get on with the minister, the Secretary gets sacked."

One of the central tenets of Russell's book is that the diminution of senior public servants in Ministerial offices of the Commonwealth government has led to more chaotic and poorer governance. When he returned to government, Russell found that the media had come to dominate the thinking and

orientation of Ministers offices. He found Ministers active on twitter, departments were focused on social media and individual public servants mesmerised by linked in. Every Minister had a press secretary whereas in the Hawke Keating years everything was centralised.

Russell warns against poll driven leadership. Polls are for “pleasers”, governments’ can be paralysed by the need to test policy options, words and opinions. Polls result in incoherence, are frequently inconsistent and can lead to policy laziness. There is no substitute for leadership and a level of truth. There is that old parlance in politics if you tell the truth then no-one can trip you up in the detail. Governing has also become more complex. There are no solutions that could possibly come from a poll that can solve multi-leveled, contradictory issues that governments must now face: “The early twentieth century has been a wretched time for many advanced economies, with stagnant real wages and widening inequality opening deep divisions in many societies. It has been suggested that the reality of how many people live is no longer captured by objective indicators of progress such as gross domestic product growth. The lives of many are being shaped by a different set of circumstances, including a health experience which is resulting in a lower life expectancy and in some cases heightened levels of physical and psychological pain”. (Russell 2021 In the National Interest, 2021)

V

I feel sure Don Russell’s “little green book” will be a heavily underlined bible on the desks of senior public servants, ministerial staff and policy makers. It’s a fun read, full of insight, experience and wry observations about policy, politics and how ‘ideas move nations’.

It is also a book about political strategy and it is here that **Leadership** forments a potentially new and important debate.

Russell writes: “In a nutshell, Hawke-Keating 101 involved identifying a national challenge, securing the support of opinion-formers on how the challenge was indeed an important one, focusing attention on what needed to be done, assembling a coalition of support, encouraging the recalcitrant to join the coalition and participate in crafting the solution, and then hammering home and outcome”. (Russell: 71)

The Hawke-Keating era was the foremost Commonwealth policy and ideas era and I think there is much to learn from that time. As Don Russell was embroiled in the machinery of government I was very much involved in the public contest of ideas from an unlikely quarter.

From 1988-1996 I was the Executive Director of the Herbert Vere Evatt Foundation (EF) which, like the Menzies Foundation, was funded by a grant in aide of \$250,000 per annum. That in itself was an indicator of the general support for “ideas and policy” in the Hawke-Keating era. But perhaps that is being too generous. In fact the Evatt Foundation was supposed to be a safe, feel-good entity running a “Skills Olympics” for apprentices under Jack Dusseldorp. A lot of people in the Labor movement and in the Labor Party would have liked it to remain that way. But when Jack left, notably with people like Michael Easson and Andrew Refshauge advocating change, the EF board started to consider what the Evatt Foundation could do beyond working life issues. I got the job of running a “think tank” with a typewriter in a corner of the Old Chief Secretary’s building in Sydney. I was a young enthusiastic lecturer at the University of Technology and an unlikely choice. The ‘think tank’ was an experiment and our future success was largely due to the fact that ideas suddenly mattered. For most of this period Don Russell would have regarded me and the EF as supporting an older and more regressive Labor party and

movement. We were about as welcome as a cat at a dog show. But just as policy was important within the new Ministerial ethos of the Hawke Keating government so too was it important within the labour movement and other allied progressive organisations.

To be truthful it was a challenge to pursue ideas and policy within the context of a Labor solidarity culture. However thanks to far sighted labour and union leaders like Peter Robson, Tom Mc Donald, Helen Twohill, Wendy Caird, Joan Kirner and others we began to make progress. There had also been the precedent in 1984 of probably the greatest union report ever produced: ***Australia Reconstructed*** (ACTU/TDC Mission to Western Europe. et al.) ***Australia Reconstructed*** created an ideas and policy glue that locked the entire Australian union movement into the heart beat of the Hawke and Keating government throughout the 1980s and 1990s. It mattered little whether all of its ideas were implemented. Something more than wage rises was possible. Unions could be part of nation building, they bought into the legacy that Don Russell talks about as being so important for good governance and leadership.

By the late 1980s it was common for the Evatt Foundation to run union funded projects with many seconded academic researchers. On a famous occasion during the privatisation debate then Treasurer Paul Keating picked up one of the Evatt Foundation reports and threw it at then ACTU President Simon Crean, telling him “this is what you can do with your big red book”. It set a precedent. It was not often that a union based research report was more comprehensive than Treasury or departmental briefs. But we succeeded and even the most research averse unionist soon realised that in the Hawke-Keating era that was the name of the game. It was truly a time when ‘ideas moved nations’ and policy research mattered. As Russell writes “Hawke and Keating put policy change centre stage, treating it as an integral part of their political strategy”.(Russell: 43)

All this produced more robust debate and policy. Not all knowledge resided within the normal channels of government or the public service. This remains one of the lasting weaknesses of the Labor party. Corporate Australia invariably funds think tanks like the Sydney Institute, the Centre for Independent Studies and the Lowy Institute. But there needs to be a leaf taken out of the European book in which research organisations like the Friedrich Ebert Stiftung, linked to active labour movement and progressive organisations, are funded for at least a core part of their functions.

The Evatt Foundation was a fluke, a unique public policy unit not thankfully linked to a university and much closer to the rank and file party and the labour movement and unions than anything before or after. It was not perfect but because it had to balance multiple forces and make itself relevant to do any work of substance – something useful resulted. This was another side to Russell’s concept of leadership. There has to be this non-governmental base of ideas and thought that engage at Prime Ministerial and Ministerial level and it has to be funded for a core of its activities but after that it has to earn its keep. That unique combination of forces feeds up ideas and policies that even if they are not accepted create a creative tension that holds governments and politicians to account and produces better policy. If the formula is right, the dynamic is to bring in otherwise non-engaged researchers and academics into the policy vortex whether they like it or not.

The Evatt foundation’s research from 1998-1996 stands the test of time and economic fashions. From statutory enterprises to fiscal imbalance and the GST, from local government to union futures and Aboriginal rights to new thinking about welfarism, the Evatt Foundation blazed away. EF hosted an international conference of progressive thinkers and from this forged an international network of

independent public policy research centres from Washington to London to Paris, Rome and Boston. The EF funded Gorbachev's main economic advisor Abel Aganbegyan to do a national lecture tour of Australia speaking about perestroika at a critical time. It hosted an international conferences on alternative investment strategies for superannuation funds 20 years ahead of their time and much more. By 1993 it had links that even helped the incoming US Ambassador Don Russell to have immediate connections with key members of the Clinton administration.

I would argue that if you want to understand the strengths and the mistakes of the Hawke-Keating era then the Evatt Foundation reports were, and are still, very good guides. Just as the internal lessons and wisdom of the Hawke-Keating era were lost to a new era of poll driven governance structures, so too did the labour movement move back to an anti-research stance and to research centres that were under the thumb of union secretaries, party administrators, budding politicians self-interest or factional control. Today, to survive, any Labor or progressive policy unit has to find a university wing for patronage thus they are damned to being a whole world away from the cut and thrust of politics and even departmental politics.

## VI

Thankfully now we have this "little green book" to remind us of a time when it was exciting to listen to AM and PM each day or to tune into the 7.30 Report or to follow columnists like Stutchbury, Ramsey, Tingle and others in the *Australian Financial Review* or even to read *The Australian*. It was a time when the Canberra Press Gallery was a potential furnace to be stoked and fuelled. It was a time when the national Labor Conference mattered. Paul Keating sometimes reminisces about his early career and the quality of the old parliament house where government and opposition politicians jostled at urinals and had breakfast and dinner together at the Kurrajong Hotel. Maybe he doesn't feel so nostalgic about the new parliament house because he was well and truly consumed within it. But I remember the transition to the new parliament house and that too had a special joy for those of us excited by the spectacle of the grand walks across forecourts and into Ozzies coffee shop and other places. Who was talking to who and why? Don Russell and Paul Keating walking together created a special buzz. One of the great unsung heroes and networkers of that period was Terry Counihan. He was a brilliant Cambridge scholar and man of ideas that might have forged a weighty academic career. Such was the possibility of those times that he gave his life to be a part of what Don Russell calls "legacy". Those were the days, may they come again in an even better form, and with even greater bounties for our country.

ACTU/TDC Mission to Western Europe., et al. *Australia reconstructed : ACTU/TDC mission to Western Europe : a report* xiv, 221 pages.

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