

Chapter 12. Moving On - My Story

The note

It started, July ? 1989, with a note on my desk that read “Michael Weldon, the Minister for Mines and Energy, Construction, and Hydro Electricity, will ring you tomorrow morning at 9 am about an asset management paper”.

I was annoyed. Obviously it wasn't the Minister ringing but someone from his department, and if only I knew which paper I could have posted it and saved the fellow ringing. Fortunately, before I could say anything, the phone rang.

It was now 9.20 am and the breathless voice at the other end of the line did not announce himself but simply said. “I'm sorry to be ringing you so late, because now I am late for cabinet, and I have been late before, so may I get to my bottom line quickly?”

With such an introduction what could I say but “Please do!”. “Well”, he continued, “You probably don't know much about Tasmanian politics, nobody does, but we have just restructured our departments into several large mega structures and I have inherited the Construction and Mines, Resources and Energy portfolios. Would you consider coming down here and helping me run the show? I don't have time now but we can talk further tonight.”

That evening we spoke for many hours. He was clearly very bright and well educated. I liked his values and his intentions. And he liked me. We spoke of the difficulties facing Tasmania, the enormous debt overhang with interest threatening to overwhelm the State's income unless it could be cut back.

Tasmania, with a population of just under half a million, had always been a mendicant state, receiving more income from the Commonwealth than it contributed. Now after seven years of construction spending by the previous administration in order to provide employment, and made possible by manipulation enabling the state to exceed its global loan limits, the debt situation was perilous.

South Australia, my state, was also a mendicant state and had been struggling to cope with a reduction in Commonwealth spending. I could envisage South Australia being in Tasmania's position in another few years. Could asset management help in a situation such as this? I spoke with my husband who agreed this was a wonderful opportunity to find out. So when the Minister rang a day later and asked whether I could come to Hobart ‘and see if I liked the Premier’ and ‘could my husband come too?’ - we went.

The Minister

Although I was there only to consider whether to take the job, the Minister acted immediately as if I was already part of his team and asked me to join him in visiting the water resources division. We had just set off when he was called away to a photoshoot. Not deterred, he said “You can handle this by yourself, can't you?” leaving me to do the ministerial visitation by myself, and then, as he was being hustled away, called over his shoulder “While you are there, find out about Meander, won't you?” Meander?

Fortunately I knew some of the water resources personnel from my time in the South Australian water authority. “Relax! It's just me!” I said, and explained I was considering taking up a position advising the Minister. They were delighted to have a friend in court.

While they took their seats, I quietly turned to the minders accompanying me and said “How do I play this?”. “Ask them about their money problems” they replied, a brilliant idea that definitely got the conversation moving.

Meander turned out to be a proposed dam, but, although expensive it seemed to yield no extra acreage under irrigation nor extended production time nor any increase at all. I reported back that it seemed an unlikely starter and the Minister calmly accepted it. I thought this showed economic awareness. However, the dam turned out to be in a neighbouring electorate, not his, and if the money was not used there it would be available elsewhere. So what he was really showing was political awareness and I realised that this would be something I would need to learn, too - and fast.

The Premier and his Chief of Staff

That evening, after dinner with the Minister, we joined the Premier and his Chief of Staff for coffee and dessert and more conversation and I found that I did, indeed, like the Premier. I could not say the same for his Chief of Staff who arrogantly told me, as if he were the one to make the decision: “You don’t want that mickey mouse job over there in Construction, Resources and Energy, you must be the Premier’s Economic Advisor”. This was a senior position and, in earlier times, something I would have enjoyed, but my interests now lay in infrastructure and thus with the Minister’s portfolios, so I declined.

Some people do not take rejection well and the Chief of Staff was one of these. He tried to prevent my appointment on the grounds that I was not ‘political enough’ to head up the Minister’s staff (quite true!) but the Minister was stubborn and he knew he needed help. He was also creative. He constructed a new Policy and Research Unit, independent of either department, and appointed me head of it, reporting directly to him, so it was in effect a department of its own. It was a unique position. Had the public service been better organised, I doubt it would have been possible, but there I was, a departmental head (albeit of a very small department) and I was free to tackle any issue that fell within the Minister’s portfolios. He may not be happy to hear it, but I have much for which to thank that Premier’s Chief of Staff.

Whilst this was being sorted out in Tasmania I took advantage of an offer to visit the warmth of Darwin to address an Accounting Conference before moving to a winter in Hobart and an incident there is worth recalling.

The Capital-Recurrent Link

A colleague had earlier told me of a speaker in the USA who had seriously, and earnestly, impressed his audience that ‘There are two buckets of money, capital and recurrent, and they have nothing to do with each other!’ At the time I had laughed at this naivety only to find we were likely no better informed, for, arriving in Darwin, I was met at the airport by a Treasury representative who handed me a flyer announcing that, in two days time I would be giving a talk to the Treasury. I had not been asked and this was the first I knew of it and so was about to decline till I noticed the subject - ‘The importance of the capital budget to the Territory’. I spent the next day in the local library doing back-of-the-envelope calculations on the recurrent implications of that year’s capital spend. (This was the time of Paul Keating’s ‘Recession we had to have’ and interest rates were over 18%) I took into account, interest and renewal, as well as increased maintenance and operating costs.

When I arrived, I was told that it was thanks to their very clever economist from my own university that they had managed to increase their capital spend. I said that, regretfully, he may not have done them any favours and I showed them the implications of this capital increase for their future recurrent spend - up by 2% on the previous year. "Do you think this increase in recurrent spending limits will be possible?" They didn't.

The reactions were interesting. Senior staff were furious and would happily have thrown me out of their second story window. Indeed, the following day when the Director of Finance was deputed to thank me on behalf of the Accounting conference, he was still seething and, forgetting that his task was to say nice things about their invited speaker, said "Penny Burns was as controversial as usual. I don't believe everything she says. I bet her department is glad she is going!" This last statement left most of the audience puzzled as they did not know I was about to move to Tasmania.

The junior staff, however, were intrigued and really engaged. They had not previously thought seriously about the recurrent implications of capital spend. Unfortunately, the passage of time has not greatly changed the situation and failure to take serious account of the recurrent implications of capital spending is still with us.

Anyway, back to Tasmania

The Pilot Strike of 1989

My contract was very generous and had even included six first class return airfares during the first twelve weeks 'to keep in touch with my family'. I had not asked for this and thought it was a good sign that I would enjoy working on the island (and I did). However, the day I started in Hobart, so did the most damaging pilot strike ever in Australian history. It lasted over 4 months. That first Sunday I had to be at the airport at 4 am to catch the domestic leg on an international flight to get me from Adelaide to Sydney, and then spend the entire day negotiating hops from Sydney to Melbourne to Devonport to Hobart. I eventually checked into my hotel at 11 pm, 19 hours later. A long day for what had until then been a less than 90 minute flight.

The whole of Australia was seriously affected by the strike but Tasmania most of all for the other capitals were connected by road and rail, but not so Tasmania which, at best, had a limited capacity twice-daily ferry. Tourism, Tasmania's major revenue source, was devastated. Given their debt situation, this could not have happened at a worse time.

No room

After difficulties in getting to the island, it turned out that there may be equal difficulties in staying there. I had imagined that finding accommodation would be easy. I was flexible, happy to accept either a house, or an apartment, preferably within walking distance of the city, or else near a bus route. I expected the response to be "We'll take you out and show you what we have". Instead the response was "If anything turns up we will let you know!" It seemed that all of the new Ministers had chosen staff from the mainland. All the Minister's staff tried to find accommodation for me. None of us were successful and it looked very much as if I would have to return to Adelaide for want of somewhere to stay.

Eventually, one real estate agent said "We don't have any unfurnished properties but we do have a small furnished house at Newtown. The owner is very particular and has not accepted anyone so far. She is now thinking of simply leaving it vacant rather than risk

someone she is not happy with. It is a long shot, but would you like to see it?" Naturally, I had to try.

It was a lovely two bedroom cottage, within walking distance of the city and from the back gate there was even a short cut to the Botanic Gardens. It was charming, and I said so. The house was full of books, so I instantly felt at home. However there was little spare space on the bookshelves and I said to the agent that this could be a problem, adding that my husband laughed at me because I always unpacked my books before my clothes since 'books can't breathe in boxes'.

Sometimes it is the small things that win the day. The agent reported this conversation. The house owner, until her recent retirement, had been the Headmistress of an exclusive private girls school in Melbourne and was now about to take a trip overseas before settling down. Anyone who liked books that much, she decided, would have to be the right person to occupy her home. Without that, my time in Tasmania could have been very short indeed.

But problems were still not quite over. Had I been superstitious, or just a little bit clairvoyant, what happened next might have prepared me for what was to be quite a tumultuous two and a half years. I had been in the job just a week when, on the following Sunday, as I was about to cross the road to the Cathedral, I was surprised to hear someone call my name.

It was Paul, the Minister's Chief of Staff, with the news that the Head of the Hydro Electric Company, with whom I had been finalising my office and administrative arrangements, had been out sailing on the Derwent the day before when he had suffered a heart attack and drowned.

None of our agreements had yet been put in writing so I was the only one who knew. The administration panicked. They didn't need to. I told them that I did not need any fancy accommodation, good light was all I needed. I could also easily manage without a secretary/receptionist and a conference room and, given the budget difficulties, rather than appointing new staff, I would second from the Minister's portfolios on an 'as needed' basis. All I really needed was a travel budget that would enable me to accompany the Minister and to take advantage of all the help I had been offered by my friends in Victoria and New South Wales. I think they had expected far greater demands.

Postscript: I think you want this woman.

Later, when I had become friendly with the Minister's wife, Tina, I discovered what had inspired him to ring me that morning. The Warden of King Island (where Tasmania's delicious Brie and Camembert cheeses come from) had attended the Local Government presentation I had made in Hobart, the one that had created such interest, and had thought to send a copy of my paper through to his friend, newly elected and responsible for the major infrastructure portfolios. It had a little yellow post-it note attached reading "I think you want this woman". Tina said she and Michael both read the paper and spent the rest of the afternoon wondering how they could get me to come down to Tasmania. I am glad they did. [That paper is now available on our website.](#)