

## ATTACHMENT A

**IPAA Submission to the Senate Finance and Public Administration  
References Committee****Background**

The Institute of Public Administration Australia (IPAA) is supportive of the direction charted by the Blueprint for the Reform of Australian Government Administration. The nine umbrella reforms recommended by the review and accepted by the Government are, in our view, appropriately focussed on measures to ensure more effective and coordinated service delivery across the Australian public service.

Some of these reforms have their genesis in approaches currently implemented or being adopted by public sector agencies. Others require new approaches, organisational arrangements or legislation to provide for their implementation. Combined, they seek to position the APS to provide outcomes of the highest quality for the Australian public and to address the challenges Australia faces today and tomorrow.

Against this background, the following comments are provided against the topics mentioned in the Committee's terms of reference.

**(a) Implementation of recommendations contained in the review**

The report sets out an ambitious agenda and a series of mutually reinforcing steps to be taken. Responsibilities for overseeing the implementation of the reforms have been allocated to a number of key stakeholder groups including the Secretaries Board, APS200 and lead agencies.

Given the scale of the tasks, discipline will be required to ensure the intended results are delivered. In this context, it will be important for the wider APS to understand the reasons for the reforms – the narrative – and be involved in, and take ownership of, the reforms so that the approaches envisaged are adopted as part of the APS culture. It will also be important that these reforms be placed in the context of a continuum of the ongoing changes over recent years and decades.

While actions to make the reforms happen have been flagged in the report and broad responsibilities have been allocated, it is to be expected more detailed plans will be developed and specific roles allocated. In many respects the approach adopted in the report may be described as 'emergent', relying very heavily on post-review developments and implementation. This is not a criticism, but an important understanding of the approach being taken which underlines the criticality of the implementation task.

IPAA sees benefit in progress against the various reforms being evaluated, particularly within the first few years of the implementation period. This could be done at a global level or in a phased manner to address the individual 'signature' reforms or their core components. The benefit of such an approach would be not only to provide feedback on areas where greater emphasis may be required, but assist in reinforcing the reforms as part of the wider APS culture.

IPAA has already hosted a Roundtable of invited experts to discuss the report. The Roundtable focused very much on implementation with the objective of identifying actions that might maximise the potential for successful reform. A summary of the Roundtable, to be published in *Public Administration Today* is at Attachment D.

## (b) Possible amendments to the *Public Service Act 1999*

In its submission to the review, IPAA recommended, inter alia, the following changes which either require legislative amendment or may be implemented via legislation:

- (a) the APS Values should be reformulated – briefer, more succinct and confirming the role of the APS in responsible government (p.9)
- (b) Statements of values for other Commonwealth Government sectors and agencies should be developed or revised, based on the APS Values statement, but reflecting any significantly different role. Unless there is strong reason for not doing so, agencies should be brought within the umbrella of the Public Service Act (p.9)
- (c) the Public Service Commissioner, the professional head of the APS, having joint responsibility for making recommendations to the Prime Minister concerning appointments of portfolio secretaries (p.26)
- (d) the Public Service Commissioner should be appointed for terms of five years (p.28)

The review specifically agreed with (a) and (c) above. Comments on each of the above proposals follow.

### Values

A key feature of the 1999 Public Service Act is a statement of Values set down in section 10. These encapsulate the fundamental role of the APS in Australia's system of government. The Values are supported by a Code of Conduct and are thereby enforceable by various means. Promotion of an understanding of the values is an explicit responsibility of the Public Service Commissioner and also departmental secretaries, agency heads and the senior executive service.

Although there has been debate about the utility of a statement of values, there is little to be gained in reopening it. The APS has long had 'values' such as impartiality, merit, probity, equity and accountability. Existence of a formal statement has proven expedient from time to time; and there have been cases where officials have found them of substantial assistance in guiding conduct in complex situations.

There would, by contrast, be unambiguous advantage in a markedly more concise statement based on pre-eminent themes concerning the distinctive role and responsibility of the APS. After examination of various statements of values used in other Australian jurisdictions and by some other national public services, and the efforts of the Australian Public Service Commission (APSC) to explain and promote the values, IPAA suggests that a simpler recapitulation be considered:

*Public Servants must prize their integrity and accountability; integrity in the way they do things and accountability for the results they achieve.*

*The Australian Public Service is:*

- *professional and non-partisan, and openly accountable to the Parliament within the framework of Ministerial responsibility;*
- *responsible for providing the Government and Ministers with frank, fearless, comprehensive and timely advice, and for implementing policies expeditiously, efficiently, equitable, and economically;*

- *staffed according to merit and equal opportunity, free from discrimination;*
- *impartial in all its interactions with the Australian public, delivering services fairly, effectively and courteously;*
- *honest and professional, with the highest ethical standards.*

This articulation of Values:

- (a) says upfront that public servants have a duty to both act ethically (a behavioural trait) and to be accountable for their performance (deliver results);
- (b) establishes that the right means (high integrity) and the right ends (good performance) are the two foundations that underpin professional values;
- (c) define the precise personal behaviours and administrative results that can be expected of a professional public service; and
- (d) distils values to two pillars – integrity (in the way things are done) and accountability (for the outcomes achieved) – that can be easily communicated and understood.

The last point is important because if a values statement is too long and does not touch on both means and ends it's unlikely to be remembered let alone change individual and collective behaviour, which should be the primary purpose of the exercise.

There are many implicit values in the above list even though not mentioned. 'Leadership', for example, is not mentioned, partly because it is, in an ordinary sense, an inherent feature of a quality public service, something to be valued rather than a 'value' as such. 'Non-partisan' is suggested rather than 'apolitical', recognising that the APS cannot divorce itself from politics and must be politically aware, but it must be able to serve loyally whichever party is in government.

It also reflects the grouping used by the APSC successfully since 2002 to highlight the unique roles of the APS in its relations with the Government and the Parliament (the first two points in the above formulation), its relations with the public (the third point), its own workplace relations (the fourth point), and its members' personal behaviour (the final point).

IPAA is conscious that the formulation now contained in the legislation was the result of considerable discussion between the then Government and then Opposition and thus has the great advantage of bipartisan support in the Parliament. Any new articulation will likewise require support across the political spectrum, reinforcing the non-partisan role of the APS in serving governments irrespective of their party political complexion.

An important advantage in a statutory statement of values is that it furnishes an authoritative basis for consideration of the principles governing a public service. It will be amplified by agency statements, codes of conduct and guidelines. This should be borne in mind in dealing with temptations to seek an all-embracing, comprehensive list. All agencies must uphold the values legislated for the APS as a whole, but it might be expected that they will place extra emphasis in their training and other promotion activities on those that have the most immediate relevance to their particular work (Centrelink for example on the suggested value concerning relations with the public, and Treasury on the suggested values concerning relations with the government and parliament).

Finally, it is important to emphasise that regardless of the legislative articulation of the Values, the workplace reality has to match the rhetoric if disaffection and retention challenges are to be avoided.

### Statements of values for other Commonwealth Government sectors

IPAA encourages the Government, and when the opportunity allows, the Parliament, to press agencies and organisations not staffed under the Public Service Act to apply the APS articulation of values, unless there are clear reasons for doing otherwise. For example in commercial operations “delivering services fairly”, to the extent that means cross-subsidising clients or undercharging them the true economic cost of services, would be contrary to their commercial charters. Nevertheless, even for such entities the other values related to integrity and accountability for performance should still apply.

An example of an articulation adapted to particular distinctive circumstances is the statement to be found in the Parliamentary Service Act. Staffs of Members of Parliament, by contrast, are not expected to be non-partisan so that such a requirement would be out of place in a statement of values for them. In some cases, as has been identified by the Department of Finance and Deregulation and the APSC since the Uhrig Report, agencies now not under the Public Service Act should become so, and be bound by the APS Values.

### Role of Public Service Commissioner in appointments of portfolio secretaries

Appointments (and terminations) of departmental secretaries should be on the basis of a joint report from the Secretary to the Department of the Prime Minister and Cabinet and the Public Service Commissioner after consulting the responsible minister. This would be consistent with the approach recently adopted by the Government to appointments of other agency heads which involve reports from the relevant department secretary and the Public Service Commissioner.

The professional character of the process would also be strengthened by a provision that rejection of a recommendation would be reported to Parliament.

This proposal is based upon several considerations. It is consistent with the non-partisan, impartial and professional character of the APS that appointments to the highest posts should reflect the Values which, by statute, the Service is enjoined to exemplify. The Commissioner, the custodian of those Values, and effectively the professional head of the APS, should be formally part of the process whereby those occupying the chief posts in the Service are chosen.

Such a move would be a public affirmation that merit and open competition, the rule for the APS generally, is as active at the top as it is elsewhere.

Moreover, the Commissioner would bring expertise and knowledge to such appointments. Because of the Commissioner’s role in appointments to and within the Senior Executive Service, the Commissioner has systematic knowledge of the strengths and capacities over a period of time of internal candidates for the highest posts. This knowledge is unmatched anywhere else in the APS.

If, as IPAA favours, secretary and other posts of comparable rank are increasingly filled in a more open manner, the presence of the Commissioner in a formal sense will foster public confidence in the integrity of the process, especially its impartiality and non-partisanship.

Finally, giving the Public Service Commissioner a joint role in secretary appointments will remove questions and doubts about the appropriateness of an arrangement in which one person alone provides advice to the prime minister.



### Term of the Public Service Commissioner

IPAA considers that the present provision in the legislation whereby the Commissioner is appointed 'for a period of up to five years' should be amended. Terms of less than five years erode the institutional integrity of the office and inhibit the longer term perspective necessary. This is particularly so when, as has happened, the Commissioner is appointed for an abbreviated term, the end of which falls at a time when general elections are expected. Such a practice, in relation to this office, compromises the post in meeting its responsibilities to an APS which is, by statute, 'apolitical, performing its functions in an impartial and professional manner'.

### Other matters

In addition to the above matters, it would be expected that the Public Service Act would be amended to reflect the broader role of the Australian Public Service Commission, particularly in relation to its new policy responsibility for agreement making, classification structures, APS pay and employment conditions, work level standards and workplace relations advice.

The review report also proposed that the Department of Prime Minister and Cabinet 'would develop for Government consideration, amendments to the *Public Service Act 1999* to remove references to the Management Advisory Committee and introduce the Secretaries Board and the APS 200'. (page 49 of the review report.)

### **(c) Identification and consideration of related matters not covered by the review**

The critical issues raised by IPAA in its submission have largely been addressed in the Blueprint for Reform.

IPAA is conscious, however, that agencies need to be properly resourced to make the changes expected of them, particularly the investment in the development of their staff. In this context, in its submission to the review, IPAA did recommend that efficiency dividend arrangements should be revised and complemented by selected whole-of-APS management improvement measures which do not undermine individual agencies' effectiveness. (p.30) The Government has agreed to the recommendations in the Report for a review of the efficiency dividend and to introduce 'capability reviews' of agencies. These are positive steps which hopefully will overcome the criticisms that have been made of the efficiency dividend for some time<sup>1</sup>. That said, IPAA has no objection to a requirement that government agencies achieve productivity gains in line with those achieved in the private sector.

### **(d) Any other related matters**

Given the importance of defining APS Values, IPAA sees benefit in the Council for Australian Governments considering the benefits of reviewing value statements in each jurisdiction with a view to achieving greater consistency in statements of public sector values.

There are likely to be longer term benefits in stronger levels of consultation with the states and territories on matters of public administration in the interests of lifting the performance of all public sectors in Australia.

<sup>1</sup> See, for example, IPAA and other submissions to the Joint Committee of Public Accounts and Audit (JCPAA) Inquiry into the Effects of the Ongoing Efficiency Dividend on Smaller Public Sector Agencies.



# Institute of Public Administration Australia

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## National Council

Submission to the Advisory Group

on

**Reform of Australian Government Administration**

November 2009

# TABLE of CONTENTS

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<b>National President's Introduction</b>	<i>iii</i>
<b>Executive Summary</b>	<i>iv</i>
<b>Recommendations</b>	<i>vi</i>
<b>1. The Australian Public Service: Reform Traditions, Renewal and the Uncertainties of the Future</b>	<i>1</i>
<b>2. The Australian Public Service: Professionalism, Values and Roles</b>	<i>6</i>
<b>3. Service Delivery and Citizen-Centred Services</b>	<i>11</i>
<b>4. Policy-Advising</b>	<i>15</i>
<b>5. APS Workforce and Professional Development</b>	<i>19</i>
<b>6. Governance of the Australian Public Service</b>	<i>24</i>
<b>7. Conclusion</b>	<i>31</i>

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## NATIONAL PRESIDENT'S INTRODUCTION

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The Institute of Public Administration Australia (IPAA) welcomes the Review of Australian Government Administration and the Prime Minister's commitment to strengthen the capacity and performance of the Australian Public Service.

The Institute appreciates this opportunity to make a submission to the Review.

This submission has been prepared by a group of IPAA members with substantial experience and expertise in public administration, mostly at the national level but also at the level of States and Territories, and internationally. The views expressed have not been formally endorsed by the IPAA National Council or any of IPAA's Divisional Councils, but it has benefited from National Council and ACT Divisional Council deliberations. Final responsibility for the submission lies with me as National President.

IPAA is the professional association for those who identify public service, public sector management and the study of public administration as their profession. Its vision is to be "the professional face of a confident public sector." In addition to its professional development activities, IPAA publishes research and reports of practical experience in public administration, promotes networks across jurisdictions and universities in Australia and internationally, and draws on its members' expertise and experience to contribute to government and public discussion on national public administration issues.

IPAA's submission does not follow exactly the structure of the Discussion Paper released by the Review in September, but it does address the issues raised and most of the questions asked, along with other important matters.

We hope it is of assistance to the Review, and that the Review makes a substantial contribution to strengthening the professionalism of the Australian Public Service, and the Australian public sector more generally, and to positioning the APS for the challenges it will inevitably face in serving the Australian public in the next decade and more.



**Andrew Podger**  
National President  
November 2009



## EXECUTIVE SUMMARY

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The Australian Public Service (APS) has long had a significant reputation in Australia and internationally as a highly professional civil service – competent, honest, efficient – and as a major participant in Australia’s success economically and socially as a democratic nation. Government structures are, however, active and dynamic. They are rarely perfect. Accordingly, the review of Australian government administration commissioned by Prime Minister Kevin Rudd is timely and appropriate, coming, as it does, about decade since the present legislation for the public service and financial management was enacted.

The Government has already acted on a number of perceived deficiencies in administration, including a number of measures to strengthen the professional standing of the public service. Among these measures is discontinuation of performance pay for departmental secretaries and reintroduction of five year terms of appointment.

As the twenty-first century proceeds the APS will confront a number of challenges. Among the foreseeable are demographic and technological change, globalisation and financial pressures. In some cases the challenges are on an unprecedented scale. The APS is now better equipped than ever in its history to address such matters; they should be seen as opportunities as much as challenges. They also offer the means of meeting increasing public expectations and cost pressures on government.

The future is always uncertain. This is why analysts talk of complexity. It is an important task of policy advice and formulation to appreciate the variety of possibilities and to place government in situations where they can be handled advantageously.

In tackling such tasks, the APS does so as a central institution of the national government of the federal Commonwealth of Australia. It is a *public* service, not simply a government workforce. It works with all governments irrespective of their party political complexion. Its tasks range from support for ministers, individually as well as collectively, to service to the public. In supporting ministers it does so from a particular position – it brings experience of administration and a knowledgeable consciousness of the consequences of different courses of action.

Under the *Public Service Act* 1999 the APS is guided in its work by a set of Values enforceable under a Code of Conduct in the legislation. There has been much debate about the Values. They have, however, stood up well since adoption of the Act. The Institute strongly favours a briefer, more succinct statement, confirming the role of the APS in Australia’s system of responsible parliamentary government, its professionalism, the merit basis of staffing, fairness and courtesy in interactions with the public, and the highest ethical standards.

IPAA believes there is considerable scope for a greatly strengthened across-APS strategic approach to the use of Information and Communication Technology (ICT) to support improved service delivery. Wherever possible the public should have maximum choice in how they do business with government departments and agencies. Opportunities should be taken to collaborate with State and

Territory governments, and with local government. This is especially so given their roles in place management and planning. There should be more emphasis on regular and linked surveys of the public by Australian government agencies about the quality and effectiveness of the delivery of all major services.

There has been a decline in the strategic policy capacity of the APS. There are many causes including diversion of resources to assist ministers in meeting the many pressures on them in the modern media environment. Strategic policy units in portfolio departments and specialist agencies need investment and rotation of skilled staff through their ranks to foster links between policy work and administration. The role and contribution of semi-independent agencies such as the Productivity Commission is strongly supported, especially for their experience in policy reviews and research through open processes which engage with external experts and community groups.

Arrangements for strategic policy work in departments should be linked to ministerial decision-making structures. Other policy “hubs” are most likely to be valuable on time-limited projects and with external expertise including international experience as well as APS expertise.

IPAA strongly supports development of a human capital strategy for the APS. It should embrace recruitment, retention, mobility, continuing professional development, diversity and classification skills profiles, as well as systematic workforce planning.

It likewise urges a searching examination of the professional development requirements and capacities of the APS and other staff in related agencies, in regional as well as central offices.

There should be an emphasis on the responsibility of individual APS members to continue their professional development including through the range of professional associations such as the IPAA itself, the Australian Institute of management and the Economics Society.

To handle the issues which will arise during the twenty-first century the institutional structure of the APS requires attention in the interests of its professionalism and the non-partisan character of the APS. Appointments of department secretaries should be on the basis of joint recommendations from the Public Service Commissioner, the professional head of the APS, and, as now, the Secretary to the Department of the Prime Minister and Cabinet, the operational head. The Commissioner should also lead the performance appraisal of secretaries on a peer review basis (though there should not be any restoration of performance pay).

The human resource function should be unified with the Public Service Commissioner taking responsibility for classification standards and public service workplace relations.

In view of the enlarged responsibilities of the Public Service Commissioner, appointments to this key office should be for terms of five years.

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## RECOMMENDATIONS

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### 2. THE AUSTRALIAN PUBLIC SERVICE – PROFESSIONALISM, VALUES AND ROLES

#### Recommendation 2.1

The APS Values should be reformulated – briefer, more succinct and confirming the role of the APS in responsible government (*p. 9*).

#### Recommendation 2.2

Statements of values for other Commonwealth Government sectors and agencies should be developed or revised, based on the APS Values statement, but reflecting any significantly different role. Unless there is strong reason for not doing so, agencies should be brought within the umbrella of the Public Service Act (*p. 9*).

#### Recommendation 2.3

Statements of values for State and Territory public services should be promoted through the Council of Australian Governments. These statements should be readily recognisable as consistent with the APS Values and promote a culture of shared professionalism throughout the Australian public sector (*p. 10*).

#### Recommendation 2.4

The Values should be promoted actively throughout APS agencies with increased emphasis on the responsibilities of the APS leadership – both agency heads and the Senior Executive Service – to promote and embed the Values (*p. 10*).

#### Recommendation 2.5

Further measures should be taken to foster effective relationships between the APS and the Government and Parliament, including through training for ministers and their staffs, as well as for public servants, on respective roles and responsibilities (*p. 10*).

### 3. SERVICE DELIVERY AND CITIZEN-CENTRED SERVICES

#### Recommendation 3.1

A greatly strengthened across-APS strategic approach should be introduced to the use of information, communications and technology (ICT) to support improved service delivery involving:

- i. The continuing development of standards to ensure interoperability and to encourage consideration of new technology

- ii. Firm Cabinet authority to enforce standards
- iii. Stronger involvement by service delivery agencies to ensure investments are not driven solely by technical or financial considerations but focus primarily on the quality of services and their responsiveness to the needs and preferences of the public
- iv. Development of standard and secure linkages which reduce the need for multiple collections of the same data from individual people and organisations
- v. Exploration over time of including State and Territory and local government services, and the possibility of relevant non-government sectors, within the same set of standards for interoperability (*p. 12*).

#### Recommendation 3.2

Menus of service delivery options, with costs, should be developed and regularly updated through a network of service delivery agencies interacting with policy agencies and staff, and with close links to ministerial decision-making processes (*p. 12*).

#### Recommendation 3.3

Information on the needs and preferences of different groups in the public (for example, the aged, families with young children, students) should be developed and maintained, regarding service delivery mechanisms that allow integration and personalisation of services.

Networks of staff throughout service delivery agencies based on key citizen groupings should be established to share data, developments and lessons learned (*p. 13*).

#### Recommendation 3.4

More emphasis should be given to place management of services:

- i. With closer cooperation with States and Territories, and local government, given their particular roles in place management and planning;
- ii. Agencies looking to cooperate on the ground seeking overall value for money in serving the public rather than agency-based views of efficiency and effectiveness (*p. 13*).

#### Recommendation 3.5

Greater emphasis should be placed on regular and linked surveys of the public by Australian Government agencies about the quality and effectiveness of the delivery of all major services (*p. 13*).

## 4. POLICY ADVISING

#### Recommendation 4.1

There should be more investment in portfolio departments' central strategic policy units and specialist portfolio agencies, rotating skilled staff through these to ensure good links

across policy areas and between policy and administration, and to develop policy analysis skills:

- With an increased focus on research and evaluation (*p. 17*).

#### **Recommendation 4.2**

There should be a more selective approach to the use of consultants in policy work, with some reduction overall, to address the risk of de-skilling APS policy capacity (*p. 17*).

#### **Recommendation 4.3**

The role of semi-independent agencies such as the Productivity Commission conducting policy reviews and research through open processes which engage with external experts and community groups should be strengthened (*p. 17*).

#### **Recommendation 4.4**

The use of external forums and networks such as ANZSOG and IPAA, and contracted research units like SWRC, should be extended to engage more with academics and international experts as well as with other jurisdictions (*p. 17*).

#### **Recommendation 4.5**

Because of the importance of links to ministerial decision-making, the emphasis should be on portfolio arrangements with central agencies assisting with coordination by supporting Cabinet and its committees; other policy “hubs” are most likely to be valuable on time-limited projects and with external expertise including international experience as well as APS expertise (*p. 17*).

## **5. APS WORKFORCE AND PROFESSIONAL DEVELOPMENT**

#### **Recommendation 5.1**

A human capital strategy for the APS should be developed, perhaps under the auspices of the Management Advisory Committee, with a wide brief incorporating, inter alia, recruitment, retention, mobility, continuing professional development, diversity and classification and skills profiles, as well as systematic workforce planning (*p. 20*).

#### **Recommendation 5.2**

Such a human capital strategy should:

- i. Give priority to recruiting, developing and retaining the best and the brightest in a much more competitive labour market, with complementary APS-wide and agency-specific measures drawing on proven methods used by both the private and public sectors in Australia and overseas;
- ii. Promote innovative ways of retaining older staff including such measures as panels of retired people able and willing to contribute to particular projects on a part-time basis, including on boards and committees;



- iii. Strengthen APS-wide measures to improve employment of Indigenous Australians, people with disabilities and people from non-English speaking backgrounds, with the aims of both broadening the employment pool in a tight labour market and ensuring the APS is broadly representative of the Australian community and provides equal employment opportunities;
- iv. Encourage agencies to apply more rigorous standards to classification and work value assessments, including in particular within the Senior Executive Service, amongst the Executive Level grades and at base APS grades, and to improve the quality of job design to support more effective staff development and more efficient use of human capital;
- v. Canvass the diversity of career patterns and opportunities in the APS and how these might be supported and better marketed;
- vi. Promote regular agency capability reviews, including through peer reviews *(p. 20)*.

### Recommendation 5.3

The Australian Public Service Commissioner should develop, in consultation with APS agencies, a more detailed framework for continued professional development of APS staff, in regional as well as central offices. It should include:

- i. A more systematic approach to deepening and broadening skills, and updating and refreshing them, through rotations and placements with on-the-job training as well as through training programs, and through opportunities for mobility including in and out of the public sector;
- ii. The importance of shared leadership skills and responsibilities through mandated training of those entering the Senior Executive Service by the Australian Public Service Commission;
- iii. An emphasis on development which helps APS members to build networks across jurisdictions both nationally and internationally;
- iv. An emphasis also on the responsibility of individual APS members to continue their professional development including through professional associations like IPAA, AHRI, CPA, AIM and the Economics Society *(p. 21)*

## 6. GOVERNANCE OF THE AUSTRALIAN PUBLIC SERVICE

### Recommendation 6.1

Appointments of portfolio secretaries by the Prime Minister should be made following a joint recommendation by the Secretary, Department of the Prime Minister and Cabinet, the operational head of the APS, and the Public Service Commissioner, the professional head of the APS, following consultation with the relevant minister.

Consideration should be given to the Government reporting the matter to Parliament where the recommendation is not accepted *(p. 26)*.

## Recommendation 6.2

Performance assessment of agency heads should be reintroduced. It should be led by the Public Service Commissioner with an emphasis on peer review, including also consultation with ministers and the Prime Minister, and without performance pay attached (*p. 26*).

## Recommendation 6.3

Unification of the human resource function in the APS should be supported by vesting the Public Service Commissioner with responsibility for classification standards and public service workplace relations (*p. 27*).

## Recommendation 6.4

The Public Service Commissioner should be appointed for terms of five years (*p. 28*).

## Recommendation 6.5

The option should be introduced of having Associate Public Service Commissioners on a part-time and/or temporary basis, engaged on particular management reviews or to assist in succession management and performance assessment (*p. 28*).

## Recommendation 6.6

Significantly less reliance should be required of the APSC to raise revenues from fees; appropriation funding should be increased (*p. 28*).

## Recommendation 6.7

More effective collegial leadership of the APS should be pursued through active use of the Management Advisory Committee (*p. 28*).

## Recommendation 6.8

An appropriate high-level mechanism should be developed for consultations with business and non-government sector leaders about relevant APS matters (*p. 29*).

## Recommendation 6.9

Portfolio and agency structures should be maintained to support ministerial and organisational accountability for government decision-making, notwithstanding the importance of APS-wide connections:

- i. With Cabinet, supported by the central agencies, as the primary mechanism for coordination and collective responsibility;
- ii. With “portfolio secretaries” having a critical coordinating role, allowing continued use of separate specialist agencies able to focus on particular responsibilities with a greater degree of independence (*p. 29*).

**Recommendation 6.10**

Apart from classification and workplace relations responsibilities, to be transferred to the Public Service Commissioner, devolution of financial management and human resource management should continue, with an emphasis on accountability for results (*p. 29*).

**Recommendation 6.11**

Continued effort should be made to address the unintended consequences of some of the initiatives of the last decade (for example the outcomes/outputs framework and accrual accounting) to make performance reporting more readily understandable and relevant to the public sector (*p. 30*).

**Recommendation 6.12**

Efficiency dividend arrangements should be revised and complemented by selected whole-of-APS management improvement measures which do not undermine individual agencies' effectiveness (*p. 30*).

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# THE AUSTRALIAN PUBLIC SERVICE: REFORM TRADITIONS, RENEWAL AND THE UNCERTAINTIES OF THE FUTURE

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*(This section addresses the issues and questions in Chapter 2 of the Discussion Paper and related matters.)*

Reform, review and renewal have formed an important tradition of the Australian Public Service (APS) since its inception. After federation, the APS was soon recognised as a national institution. The Parliament, barely a year old, placed the APS on a statutory basis when it passed the first Public Service Act in May 1902. By contrast, at Westminster itself, neither at the time nor since has there ever been general legislation covering the Home Civil Service.

To underline the non-political character of this important national institution, its administration was assigned not to a minister but to a Public Service Commissioner appointed for a renewable term of seven years. Public accountability was a part of this inaugural scheme: one of the Commissioner's statutory obligations was to report annually on the "condition and efficiency of the Public Service," an obligation honoured, except occasionally during periods of war, throughout the 110 years of APS history.

More significantly, the legislation required the Commissioner to "set forth any changes and measures necessary for improving the method of the working of the Public Service and especially for insuring efficiency and economy" in any department. The succeeding 1922 legislation made it even clearer that the quest for efficiency and economy in the APS was a goal to be pursued on a continuing basis.

Throughout the 110 years there have been many examples of this culture of review and renewal. These include the measures taken by the inaugural commissioner, Duncan McLachlan, to forge the various components of the public service transferred from the States – especially customs and excise staff, postal workers, and those involved in defence – into a recognisably cohesive, unified body; and similar endeavours during the 1920s to restore order after the disruptions of the First World War.

Even more significant in terms of the modern public service is the plethora of change and innovation effected especially in the generation following the Second World War, coinciding with increasing location of the public service in Canberra. Reforms in this era included a general overhaul of recruitment practices; graduate recruitment for the general administrative ranks of the APS; progressive removal of barriers to employment of women throughout the public service; related measures for groups with identified disadvantages; conduct of extensive staff development and

training programs; streamlining and rationalisation of the classification structures of the service, often based on increasing standards of education; and modernisation of the pay system.

The career service basis of the APS was frequently at the forefront of reform projects. There was a sustained effort to remove impediments to untrammelled application of the merit principle in recruitment, promotion and advancement. These impediments included the numerous discriminations against women (many eventually removed under the banner of equal employment opportunity), veteran preferences, seniority in several guises, and age limits.

Very significant, though, ironically, usually overlooked, was progressive introduction, from the mid-1950s, of computers and other methods of automatic data processing, essential innovations in equipping Commonwealth administration for the multiplicity of tasks it assumed both domestically and internationally in the final decades of the twentieth century. The 1980s and, more so, the 1990s, marked a shift in the public service from the era of the typewriter to that of the word processor.

Internal initiative has been, through the years, usefully supplemented by various ad hoc bodies (sometimes parliamentary committees) constituted for purposes both of general review and particular investigation. The many examples include:

- Early inquiries into the Post Office and Defence prior to the First World War.
- Major royal commissions on the public service and national expenditures as a basis for reconstruction in the 1920s.
- The Bailey and Boyer reports, respectively about promotions appeals and recruitment
- The Kerr and Bland reports on administrative review.
- The Royal Commission on Australian Government Administration.
- The Bland Administrative Review Committee.
- The Public Accounts Committee inquiry into the Selection and Development of Senior Managers in the Australian Public Service.
- The Review of Commonwealth Administration.
- The Task Force on Reforming the Australian Public Service.
- The Review Committee on a New Public Service Act.
- The Review of the Corporate Governance of Statutory Authorities and Office Holders.

The final third of the twentieth century witnessed other developments in the structure of Australian government and the practice of responsible government in Australia. These changes extended ministerial control over administration (removal of tenure for departmental secretaries; growth of ministerial staff), expanded opportunities for parliamentary scrutiny (especially Senate committee hearings on expenditure estimates), new arrangements for administrative review, and reorganisation and rationalisation of the departmental machinery of government.

These years have also been marked by other major reforms in budgeting, financial management and control, and management practice.

Much of this record of reform derived from parliamentary and government interest, ideas and endorsement, combined with public service advice and detailed design, followed by implementation.



Most of the reform history of the APS involves renovation of legislation, administrative structure and practice of considerable longevity, some of it dating from the earliest decades of the Commonwealth.

The review announced by Prime Minister Kevin Rudd in September 2009 is different. It is into a legislative, administrative and management structure of very recent vintage. The key statutes – the Public Service Act, the Financial Management Act, the Commonwealth Authorities and Companies Act and the Auditor-General Act – are just over a decade old. While still settling, there is much evidence that this structure has provided ample scope for necessary innovatory activity. Most of what is foreshadowed in the discussion paper can be accomplished without significant amendment to the existing, very recent legislation, largely adopted on a bi-partisan basis. The blueprint for the Government can, thus, be built on inherent strengths. There is no need to construct fresh foundations.

Governmental structures, especially those of nation states with large and widely dispersed populations, are active and dynamic. They are rarely perfect. This is so at any time in the history of the APS. Our proposals for improvements accord with the long-held view that efficiency, in its broadest sense, must be a continuing preoccupation, and with the equally long-standing APS traditions of reform and renewal outlined earlier.

None of this stands in the way of a general view that the APS has, and has long had, a deserved reputation in Australia and internationally as a highly professional civil service – competent, honest, efficient – and as a critical participant in Australia's success economically and socially as a democratic nation.

Some of the deficiencies and concerns identified in recent years since the present legislative structure came into force have already been addressed by the present Government. There has been extensive criticism of the robustness of advice provided by the APS and its professional "independence." The measures include removal of performance pay and re-introduction of five-year rather than three-year appointments for departmental secretaries; reforms of freedom of information; a code of conduct for ministerial staff; and tighter control of government advertising.

Beyond immediate concerns are the hurdles likely to confront the APS in succeeding decades. The discussion paper enumerates a list of six: increasing complexity; increasing public expectations; demographic change; technological change; globalisation; and financial pressures.

It is not without interest that a similar list might have been assembled at almost any time since federation. Each item needs to be dissected more carefully to clarify their particular relevance today. They may be seen as challenges; in most cases they should also be seen as opportunities.

It may be that policy issues are becoming more complex but this stems as much from enhancements in technology and increased community expectations as to any inherent increase in the importance or difficulty of the issues themselves. Certainly there are today what are referred to as "wicked problems;" but they have been a feature of government for centuries. One policy area that has most clearly become more complex is the environment, where the global impact of human activity is of increasing concern. While policy problems are in scale, at least, apparently more difficult, the means available to governments in tackling them are also immeasurably greater than in previous eras.

Increases in public expectations may be likely, but they are not necessarily inexorable. Governments can influence them. Indeed, it is one of the higher duties of governments, including their senior counsellors, to reflect upon what matters are best addressed by governments, and how; what matters can be appropriately handled by individuals or private organisations; and what matters fall to some combination of individuals, private organisations and governments.

While Australians will certainly bear in mind Sir Keith Hancock's observation of 1930 that they habitually think of the state as a vast public utility, it is also essential – perhaps more for the governors than the governed – to bear in mind that it would be very harmful to our democracy if government has to be the first port of call whenever assistance or guidance is needed.

The community will nevertheless be influenced by their experiences of private sector products and services, and of public services abroad. A probable implication of these experiences is that there will be a search for personalised services and choice in responding to different community needs. The APS's longstanding skills in utilisation of technology for servicing and administrative tasks will need to be maintained at a very high level so that Australian government organisations have a wide range of capabilities to meet these demands.

Indeed, nothing will be more central to the APS's future than its adeptness in exploiting technological change. For a quarter of a century or more, technology has been the most important driver of change within society as within government, coping with and exploiting globalisation, bringing a more closely connected society. It has had a dramatic impact on the APS workplace and the skills composition of the APS.

Management of technological advances is a major task for government organisations, but success in doing so offers many opportunities for improving services whilst containing costs. Technology will be the more important in tight labour markets. The community should benefit directly through greater and more equitable access to services.

Advances in communications technology lie behind the increased pervasiveness, in government circles, of the media and the emergence of the 24/7 media cycle, in turn leading to new demands on ministers. The consequential pressures for immediate responses and short-term thinking are unlikely to abate. Neither ministers nor government organisations have yet devised effective or systematic means for integrating longer term analysis and research, and deliberative decision-making, into this frantic environment.

The APS will certainly need to give serious attention to demographic change especially during the next decade. Demand for government services will be affected, as also will be recruitment and retention of staff. Bearing in mind that the causes are mostly positive - people living longer, women having more control over their fertility, for example - the consequences can be ameliorated by purposeful policy such as that embodied in Treasury Secretary Ken Henry's advice that governments focus on "population, participation and productivity." Removal of obligatory ages of retirement and the Government's decision to increase the age at which people become eligible for age pensions are steps in meeting the consequences of demographic change.

In the APS itself, a likely decline in the supply of new entrants can be partly met by ensuring continued development of the skills of existing staff, and a stronger effort to retain them. There will also need to be more active search for productivity-improving methods.

Globalisation will continue to have a profound impact on all Australian governments as on Australian society. Most directly is the increasing demand for connectedness internationally, both to respond to international agendas and to contribute to them, throughout government. This is likely to continue to contribute to increased national government involvement in all parts of the public sector, requiring further increases in connectivity domestically as well as internationally, as evidenced by the current active COAG agenda.

Financial pressures are a perennial circumstance of government, obliging an ordering of demands according to priority. Very old skills of the public service in prudent use of public funds and ensuring the productivity of public expenditure remain essential even as they must be refreshed to take advantage of new technologies to achieve these basic objectives. The financial tasks of government during the next decade and more are not unprecedented, at least in a generic sense, though the burden will be heavy as governments look to repay the debts arising from the global financial crisis of 2008, a task which will take many years to achieve. This will require not only careful prioritisation by government but also added attention by the public service to improving productivity including through the effective use of new technology.

The future is always uncertain. This is why analysts talk of complexity and unprecedented burden. It is an important task of policy advice and formulation, supported by quality research, investigation and data analysis, to appreciate the variety of possibilities and to place government in situations where they can be handled. The mechanisms and instruments available to modern governments are vastly superior to those at the disposal of predecessors. The question is whether judgment, perception and wisdom, as well as technical expertise, are sufficient to take full advantage of the available tools.

## 2

## THE AUSTRALIAN PUBLIC SERVICE: PROFESSIONALISM, VALUES AND ROLES

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*(This section addresses most of the issues and questions in Chapters 1, 3 and 4 in the Discussion Paper and related matters.)*

The Australian public service is one of the central institutions which comprise the national government of the federal Commonwealth of Australia. It is as old as the Commonwealth itself, older than the ministry to which it is subordinate, and the Parliament to which it is, within the framework of ministerial responsibility, accountable. It is a *public* service, not a government service only. Its professionalism is underwritten by statutory foundation – since federation there have been three public service acts (1902; 1922; and 1999); administration by commissioners rather than by ministers; and subject to annual report to parliament by the commissioner on the condition and efficiency of the service.

In Australia's system of responsible parliamentary government, the principal officers of government, the ministers of state, must be members of parliament. Public servants mainly work in departments of state, which are headed by ministers; others, however, work in organisations established by statute, some very large, headed by statutory officials such as the commissioner for taxation, the comptroller-general of customs, and the Australian statistician.

While the legislative and executive parts of Australian government are linked by the requirement that ministers are drawn from parliament, the judicial branch (High Court, Federal Court, Family Court) is largely separate.

Thus, in Australia, power is dispersed within the Commonwealth itself, and within the nation through the federal structure of government. Within the federation, the Commonwealth has a number of defined powers but often works with State and Territory governments, and also local government, under concurrent powers or on the basis of special funding of programs.

The essence of public service professionalism lies in the distinction between the ministerial (political) and official (administrative) roles, notwithstanding that public servants swim in politics "as fish swim in the sea." Ministers control policy especially through their command of the legislative and budgetary processes. In performing these roles, they are supported by the public service and other public officials (for example, those from the Reserve Bank where economic policy matters are concerned). The task of implementing policies and programs, efficiently, equitably, fairly, and according to law, falls also to the public service.

In fulfilling this diversity of roles and responsibilities, ranging from advising ministers to service to citizens and other members of the public in line with the Government's policies and programs,

public servants bring much expertise and experience derived from working with and under governments drawn from both sides of politics, and having both depth of experience in administration and knowledgeable consciousness of the consequences of different courses of action. It is these circumstances of public service which require that it be non-partisan and impartial. It has a duty to serve any government irrespective of party complexion, and implement its policies without regard to party or any other political consideration.

A special aspect of the public service role is that, of all those providing advice to governments, and there are many, it alone does so without any special interest of its own. Such advice as it provides is based only on public interest grounds. The public interest in any particular matter is determined by ministers. But it is inherent in the advisory process that public servants assist ministers in identifying where public interest lies, and how it relates to the advice they are giving. Their assistance ensures ministers can take a broad view and a long-term perspective, and have access to detailed expertise.

The foregoing considerations illustrate the important responsibilities that public services have to ministers. There will be occasions when it falls to them to tender advice on matters which ministers would prefer were not raised. Advice may not be especially welcome to ministers. A course of action may be proposed which may cause the minister discomfort on party, parliamentary or electoral grounds. It is for these reasons that the qualities sought in a public service have been famously defined as “sufficient independence, character, ability and experience.” Herein is the essence of public service professionalism.

Appointments to and promotions within the APS, like most public services around the world, are based on merit, usually as displayed in open competition between qualified candidates. Merit is often defined in terms of competence and suitability for the duties of the post.

Relations between the ministerial and official levels of executive government have fluctuated in the century-long history of the APS. Various innovations during the 1970s and 1980s were intended to strengthen the position of ministers in relation to their departments. These included introduction of ministerial staff, removal of tenure for departmental secretaries combined with routine turnover in a number of posts following elections, and the barely used facility of “ministerial consultants.” The combination of these measures has been seen by some commentators to put the obligation of the public service to be “apolitical,” and its readiness to bring unpalatable matters to ministerial attention, at risk.

Some changes introduced by the Rudd Government – for example, retaining the services of the departmental secretaries it inherited, reintroducing five-year contracts and introducing a code of conduct for ministerial staff – have ameliorated the situation. This submission advances additional proposals to strengthen the professional character of the APS as it plays its role in Australia’s system of responsible government.

A key feature of the 1999 Public Service Act is a statement of Values set down in section 10. These encapsulate the fundamental role of the APS in Australia’s system of government. The Values are supported by a Code of Conduct and are thereby enforceable by various means. Promotion of an understanding of the Values is an explicit responsibility of the Public Service Commissioner and also departmental secretaries, agency heads and the senior executive service.



Although there has been debate about the utility of a statement of values, there is little to be gained in reopening it. The APS has long had “values” such as impartiality, merit, probity, equity and accountability. Existence of a formal statement has proven expedient from time to time; and there have been cases where officials have found them of substantial assistance in guiding conduct in complex situations.

There is, by contrast, continuing debate about the content of the Values and the fact that their effectiveness is impaired by their length with the inclusion of many desirable attributes which are not unique or particularly special to the APS. One analyst has described the list as a “dog’s breakfast.” It is easy to imagine wordsmiths running a fine-tooth comb over the 15-point list in section 10, proposing deletions here, amendments there, an occasional addition here and there. The benefits of such refinements may be outweighed by added confusions.

There would, by contrast, be unambiguous advantage in a markedly more concise statement based on pre-eminent themes concerning the distinctive role and responsibility of the APS. After examination of various statements of values used in other Australian jurisdictions and by some other national public services, and the efforts of the Australian Public Service Commission (APSC) to explain and promote the Values, the IPAA suggests that a simpler recapitulation be considered:

*The Australian Public Service is:*

- *Professional and non-partisan, and openly accountable to the Parliament within the framework of Ministerial responsibility;*
- *Responsible for providing the Government and ministers with frank, fearless, comprehensive and timely advice, and for implementing policies expeditiously, efficiently, equitably, and economically;*
- *Staffed according to merit and equal opportunity, free from discrimination;*
- *Impartial in all its interactions with the Australian public, delivering services fairly, effectively and courteously;*
- *Honest and professional, with the highest ethical standards.*

This articulation of Values is purposely intended only to include the most important. There are many implicit in the above list even though not mentioned. “Leadership,” for example, is not mentioned, partly because it is, in an ordinary sense, an inherent feature of a quality public service, something to be valued rather than a “value” as such. “Non-partisan” is suggested rather than “apolitical,” recognising that the APS cannot divorce itself from politics and must be politically aware, but it must be able to serve loyally whichever party is in government.

It also reflects the grouping used by the APSC successfully since 2002 to highlight the unique roles of the APS in its relations with the Government and the Parliament (the first two points in the above formulation), its relations with the public (the third point), its own workplace relations (the fourth point), and its members’ personal behaviour (the final point).

The IPAA is conscious that the formulation now contained in the legislation was the result of considerable discussion between the then Government and then Opposition and thus has the great advantage of bipartisan support in the Parliament. Any new articulation will likewise require support

across the political spectrum, reinforcing the non-partisan role of the APS in serving governments irrespective of their party political complexion.

An important advantage in a statutory statement of values is that it furnishes an authoritative basis for consideration of the principles governing a public service. It will be amplified by agency statements, codes of conduct and guidelines. This should be borne in mind in dealing with temptations to seek an all-embracing, comprehensive list. All agencies must uphold the values legislated for the APS as a whole, but it might be expected that they will place extra emphasis in their training and other promotion activities on those that have the most immediate relevance to their particular work (Centrelink for example on the suggested value concerning relations with the public, and Treasury on the suggested values concerning relations with the government and parliament).

There is a continuing need for training about the Values, and governmental professionalism in general, in orientation programs. Such programs should have a government-wide perspective. Those joining the APS above the regular recruitment grades should also be provided with advice about the Values and related material. The material issued by the APSC in 2003 on embedding the Values remains apposite, and should continue to be refreshed frequently and applied in all APS agencies.

The effectiveness of the Values statement is also limited if their existence is known only to staff of the APS. Others who need an active knowledge of the APS Values are parliamentarians and their staffs, ministers and their staffs, and in publicity distributed to the public.

Ministers, and when the opportunity allows, the Parliament, should press agencies and organisations not staffed under the Public Service Act to apply the APS articulation unless there are clear reasons for doing otherwise. An example of an articulation adapted to particular distinctive circumstances is the statement to be found in the Parliamentary Service Act. Staff of members of Parliament, by contrast, are not expected to be non-partisan so that such a requirement would be out of place in a statement of values for them. In some cases, as has been identified by the Department of Finance and Deregulation and the APSC since the Uhrig Report, agencies now not under the Public Service Act should become so, and be bound by the APS Values.

Once the Australian Parliament has endorsed a new articulation of the APS Values, the Prime Minister may wish to consider suggesting to the Council for Australian Governments that other Australian jurisdictions review their value statements with a view to achieving greater consistency in statements of public sector values.

### **Recommendation 2.1**

**The APS Values should be reformulated – briefer, more succinct and confirming the role of the APS in responsible government.**

### **Recommendation 2.2**

**Statements of values for other Commonwealth Government sectors and agencies should be developed or revised, based on the APS Values statement, but reflecting any significantly different role. Unless there is strong reason for not doing so, agencies should be brought within the umbrella of the Public Service Act.**

**Recommendation 2.3**

**Statements of values for State and Territory public services should be promoted through the Council of Australian Governments. These statements should be readily recognisable as consistent with the APS values and promote a culture of shared professionalism throughout the Australian public sector.**

**Recommendation 2.4**

**The Values should be promoted actively throughout APS agencies with increased emphasis on the responsibilities of the APS leadership – both agency heads and the Senior Executive Service – to promote and embed the Values.**

**Recommendation 2.5**

**Further measures should be taken to foster effective relationships between the APS and the Government and Parliament, including through training for ministers and their staffs, as well as for public servants, on respective roles and responsibilities.**

## SERVICE DELIVERY AND CITIZEN-CENTRED SERVICES

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*(This chapter addresses the issues and questions in Chapter 6 of the Discussion Paper and related matters.)*

This submission, like the Discussion Paper, casts the responsibilities of the APS in simple terms of advice to governments and implementation of their policies and programs. This description has the advantage of brevity but it needs to be amplified when it forms the basis for a major exercise about the shape, structure and modus operandi of the APS in the twenty-first century.

Broadly the APS, throughout its history, has performed a great variety of roles: support for ministers; policy advice; research and investigations; revenue collections; administration laws; regulation; defence and security; conduct of international relations; consular services to citizens abroad; income security; and provision of welfare services. It is integrally involved in the trade, industry, commerce and business affairs of the nation, including workplace relations, as a promoter of economic growth and as a regulator. What is known as the welfare state is very much a government creation; governments are active both in a direct sense and by funding others to perform specified tasks.

Especially in public and parliamentary terms, the work which the APS undertakes directly on behalf of ministers generally attracts much attention. This is particularly the case when a new government comes to office. It is important to emphasise, however, that besides such conspicuous and pressing assignments, most APS staff are routinely engaged in long-standing and continuing work which often passes from one government to another with only periodical alteration. This type of work is evident enough to many citizens, be it in the numerous activities of Centrelink or consular services of the Department of Foreign Affairs and Trade. Another example is the statistical collections of the Australian Bureau of Statistics. Thinking only of government work in terms of novelty really only picks up a part of the picture. Public service management must embrace the whole picture.

It is common for commentators to suggest that the Commonwealth has little experience in service delivery as it is primarily involved in policy advising. That is far from the case. The vast majority of APS employees work in non-policy areas on activities more akin to service-delivery even if it does not necessarily involve personally serving the public. These staff work in Centrelink, the Australian Taxation Office, the Australian Bureau of Customs, in the Defence organisation, in procurement and support for the Defence Force, in Health or the Department of Education, Employment and Workplace Relations or the Department of Families, Community Services, Housing and Indigenous Affairs managing contracts and agreements for the delivery of services by third parties, and in regulating different industries.

Governments determine, and will always determine, the range of services to be provided and the quality which taxpayers collectively should be required to fund. It is for the APS and its partners in service delivery who are responsible for maximising effectiveness and quality within the resources available and the program parameters.

In advising on and implementing government policy, the APS has to take account of various factors:

- Community expectations, often affected by what they see being done in the private sector and overseas, which today increasingly involves services tailored to personal or community circumstances, and even providing choice and opportunities for “self-service;”
- Advances in technology which continue to provide fresh opportunities for improved services as well as greater efficiency;
- The capacity to draw on third parties (non-government as well as for-profit organisations) which, while of long standing in areas such as aged care, is now offering new opportunities to deliver innovative and more accessible services by contracting out, franchising, collaborative agreements, etc;
- The increasing interest of the Australian Government in standards of service delivery by its own agencies or by States, Territories and local government, and by business and the voluntary sector.

The IPAA believes that APS agencies involved in service delivery, directly or by funding others, could be assisted greatly in the future by the following measures:

### **Recommendation 3.1**

**A greatly strengthened across-APS strategic approach should be introduced to the use of information, communications and technology (ICT) to support improved service delivery involving:**

- vi. **The continuing development of standards to ensure interoperability and to encourage consideration of new technology**
- vii. **Firm Cabinet authority to enforce standards**
- viii. **Stronger involvement by service delivery agencies to ensure investments are not driven solely by technical or financial considerations but focus primarily on the quality of services and their responsiveness to the needs and preferences of the public**
- ix. **Development of standard and secure linkages which reduce the need for multiple collections of the same data from individual people and organisations**
- x. **Exploration over time of including State and Territory and local government services, and the possibility of relevant non-government sectors, within the same set of standards for interoperability.**

### **Recommendation 3.2**

**Menus of service delivery options, with costs, should be developed and regularly updated through a network of service delivery agencies interacting with policy agencies and staff, and with close links to ministerial decision-making processes.**



### **Recommendation 3.3**

**Information on the needs and preferences of different groups in the public (for example, the aged, families with young children, students) should be developed and maintained, regarding service delivery mechanisms that allow integration and personalisation of services.**

**Networks of staff throughout service delivery agencies based on key citizen groupings should be established to share data, developments and lessons learned.**

More integrated service delivery responsive to individuals and communities also requires good place management. This is an area where State and Territory governments and local government have a particular role and considerable experience. It requires both physical and social planning and coordinated service delivery, even where advances in information technology facilitate multiple points of service access. Certainly where APS agencies are involved in the delivery of personal services (whether directly or through third parties), it is important that they cooperate with each other and with the relevant State or Territory government, and local governments, to achieve overall value for money in serving the public. Often, this will benefit from having “clout on the ground” as advocated by the Management Advisory Committee in its 2004 report, *Connected Government*: staff with sufficient authority and experience to work with other levels of government and local community and business leaders to ensure services are tailored to local circumstances.

### **Recommendation 3.4**

**More emphasis should be given to place management of services:**

- iii. **With closer cooperation with States and Territories, and local government, given their particular roles in place management and planning;**
- iv. **Agencies looking to cooperate on the ground seeking overall value for money in serving the public rather than agency-based views of efficiency and effectiveness.**

Many APS agencies use service charters and complaints systems to ensure regular feedback from clients, and some also use surveys of both clients and the general public to help them to assess their performance and identify areas for improvement. There would be benefit in developing more sophisticated approaches including the linking of agency surveys through the use of some standard types of questions and, perhaps in time, through some whole-of-government approach as is being pursued by some other countries such as Canada.

### **Recommendation 3.5**

**Greater emphasis should be placed on regular and linked surveys of the public by Australian Government agencies about the quality and effectiveness of the delivery of all major services.**

There are many examples of and opportunities for services better tailored to individuals and communities. Centrelink and the Job Network are but the most frequently cited examples of

innovation in service delivery. Other examples include the possibility of replacing Medicare offices with virtual offices in every surgery, hospital, pharmacy and allied health centre, linked by electronic health records better to coordinate care and to ensure adequate financial insurance cover, the greater use of franchises such as those introduced by Australia Post, and the more extensive use of the internet for paying tax, applying for social security or gaining licences.

Such service delivery innovations bring with them risks which call for careful management:

- Policy and administration need to be carefully linked even where third party delivery agents are used, possibly reporting to different portfolios;
- The different values and perspectives of public service employees and those of non-government and private sector employees need to be appreciated when third parties are used;
- Service quality and effectiveness as well as efficiency gains from new technology need to be pursued (which has not always been the case, for example, with call centres not offering timely personal contact);
- The public's varied readiness and capacity to use ICT innovations (with consequences for equitable access to services) need to be recognised together with community unease about potential misuse by government (with consequences for privacy or human rights).
- Contract management and supervision of partnerships require close attention as accountability may be blurred.

The Discussion Paper uses the term "citizen-centred services." This may overcome some of the problems of alternative terms such as "customer-focus" or "client-focus" which fail to reflect the obligations as well as rights and preferences of the people the public sector delivers services to, but APS agencies provide services to many people apart from citizens. Conspicuous among these agencies are the Department of Foreign Affairs and Trade, the Department of Immigration and Citizenship, the Australian Customs Service and the Australian Quarantine Inspection Service; other agencies include the departments of Health, Transport, and Education. A preferable term might be "people-focussed services."

## POLICY-ADVISING

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*(This chapter addresses the issues and questions in Chapter 5 of the Discussion Paper and related matters.)*

The IPAA agrees with recent criticisms about a decline in strategic policy capacity within the APS. Causes include diversion of resources to assist ministers in meeting the many pressures upon them from the Parliament and its committees, the work of the Council of Australian Governments, the activities of interest groups, and the media. The focus on these, often justifiable, immediate pressures has the effect, maybe not intended, of deflecting staff from substantial research, investigation and analysis, what has been portrayed as strategic policy. Where consultants are used as a substitute for depleted APS resources, valuable developmental experience is lost to the public service. In this context we have noted with much interest reports that Dr Ken Henry, Secretary to the Treasury, had observed at a National Library event on 12 November 2009 that using consultants for policy work amounted to outsourcing the core business of the APS and denuding it of essential skills.

Governments today receive policy advice from a multiplicity of sources, many of them well-informed and well-resourced. Multiple sources of advice have many advantages, not only bringing important depth to policy-making, but contributing to the rigorous testing of evidence and the views advanced by others including officials. The effect is not always advantageous. There is an obvious danger of overload and, at times, the process can become a contest for the ear of the minister. We believe it is important in these situations that the APS should have the opportunity to scrutinise and coordinate advice coming to ministers from other sources.

The APS has a special place in policy-making. It does so from a vantage point of experience in administration; and its advice is not infrequently seasoned by the realisation that should a policy be adopted, the business of implementation will fall to it. Public service advisers are acutely conscious of the dangers of policy which brings short-term benefit but at a price of longer-term costs. Officials almost never have a personal interest in the outcome of advice. More than others, they are disinterested in the result. Few others who claim or seek a place in the policy process operate from such a clearly detached position.

There are a number of steps which departments and agencies, collectively as well as individually, can take to restore and strengthen their capacity in the policy field, especially for developing strategic policy, policy with horizons of five to ten years and, in many cases, longer. Each could usefully do a stock take of their resources for policy work, the information held or readily available, and the skills, competencies and experience of staff with the requisite interests; they could also share with all other interested agencies information on the data sets they hold. Larger organisations will often have a central policy unit or branch. Their resources and operations should be examined in light of likely tasks and assignments. Our expectation is that in many instances there will be a strong case for additional investment in these units. Where possible and appropriate, such units should have a

measure of autonomy to allow them to report their research findings publicly and to bring in professional expertise for data collection and analysis. Capacity of this kind is vital if policy is genuinely to be evidence-based.

Evaluation of policies and programs is also an essential component of quality or evidence-based policy advice. There appears to have been some reduction of effort in this area during the last decade, particularly since the requirement was removed for cabinet submissions to identify evaluation evidence in support of proposals and specify details on how the proposals would be evaluated in future. IPAA has for some years supported the Evaluation Society in the ACT, and suggests a more systematic approach to program evaluation be reintroduced together with wider fostering of evaluation skills.

It follows from the views we have advanced about policy and research capacity within departments and agencies that, correspondingly, we support maintenance and strengthening of agencies such as the Productivity Commission with their considerable experience in investigation and research, capacity and skills in public consultations, and established independence in publishing their findings, conclusions and recommendations.

In past decades various institutions have developed forums and journals for publication, discussion and debate of ideas and research. These bodies include, apart from the Institute itself, the Australia and New Zealand School of Government and contracted research organisations such as the Social Welfare Research Centre. Their role is crucial not only in providing policy analysts in government with opportunities to test ideas and for professional development generally, but as forums for meeting many others involved in policy work in business and community organisations as well as academics.

Linking academic activity to the current priorities of policy-makers is a perennial issue. An important ingredient to successfully using academic expertise in support of policy advising is having “brokers” who help practitioners facing immediate policy issues to learn from research and help academics in their longer-term research work to take into account likely issues for future policy attention. There is room for ANZSOG and the central agencies in particular to establish broker arrangements on a more systematic basis.

Use of consultants for policy work has, as already observed, contributed to a weakening of policy capacity within government departments and agencies. On occasions, it is recognised, they offer expertise not readily available within the APS and synthesise information and analysis better and more quickly than public service advisers. They may draw on the experience of retired public servants willing to continue to contribute from time to time. While consultants have some strengths in policy work, there are often problems also. These derive frequently from lack of prior involvement in the field, and a tendency to fall back on formulaic analysis and recommendations.

Our conclusion is that consultants should be used more sparingly in policy work, basically only when there is some clear advantage in doing so and generally in close association with APS policy officers. Our views are based on issues of quality of work and the development of APS expertise rather than cost considerations which have attracted attention from others.

As a general rule, whatever measures are taken to improve policy advising must relate closely to the decision-making processes used by ministers. They should be principally related to portfolio arrangements in the first instance; and only secondarily to central agencies which support the Cabinet and its committees.

There may be a case for some cluster arrangement to support cross-portfolio advice but mainly when there is a corresponding regular forum of ministers who see value in such advice. A more successful approach over the years has been to use task forces to examine identified policy matters with staff seconded for a period from relevant agencies and with a reference group of agency representatives able to ensure individual ministers, and the group of ministers concerned, are well served to make informed decisions. Such arrangements have been well supported by the Department of the Prime Minister and Cabinet, and are to be preferred to an expansion of permanent staff in that department which runs the risk of reducing the capacity and influence of portfolio departments and their ministers.

Other risks of special cross-government policy collaborations are excessive separation of policy from administration, and “group think,” where the demand for cooperation discourages creative tensions and the testing of different perspectives and interests.

#### **Recommendation 4.1**

**There should be more investment in portfolio departments’ central strategic policy units and specialist portfolio agencies, rotating skilled staff through these to ensure good links across policy areas and between policy and administration, and to develop policy analysis skills:**

- **With an increased focus on research and evaluation.**

#### **Recommendation 4.2**

**There should be a more selective approach to the use of consultants in policy work, with some reduction overall, to address the risk of de-skilling APS policy capacity.**

#### **Recommendation 4.3**

**The role of semi-independent agencies such as the Productivity Commission conducting policy reviews and research through open processes which engage with external experts and community groups should be strengthened.**

#### **Recommendation 4.4**

**The use of external forums and networks such as ANZSOG and IPAA, and contracted research units like SWRC, should be extended to engage more with academics and international experts as well as with other jurisdictions.**

#### **Recommendation 4.5**

**Because of the importance of links to ministerial decision-making, the emphasis should be on portfolio arrangements with central agencies assisting with coordination by supporting**

**Cabinet and its committees; other policy “hubs” are most likely to be valuable on time-limited projects and with external expertise including international experience as well as APS expertise.**

## 5

## APS WORKFORCE AND PROFESSIONAL DEVELOPMENT

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*(This Chapter addresses the issues and questions in Chapter 7 of the Discussion Paper and a number of related matters.)*

IPAA supports the proposal to develop an APS-wide human capital strategy. Developed and promulgated under the auspices of a body like the Management Advisory Committee, such a framework could set an overall framework in which individual agencies prepare and monitor their own human capital strategies. The framework would promote increased understanding of the Australian Government as an employer of choice, within which there are opportunities for a varied career over time, continuously or otherwise. While it should address the demographic pressures facing the APS, it should not be limited by such a focus.

The main elements of such a framework should be to create and maintain values, culture and innovation that attract high quality people, recruit them efficiently, ensure systematic and continuing development of skills as an integral part of the working environment, place value on high quality leadership and people skills, and hold people accountable for their performance across a range of qualities and behaviours. These are the elements of working life in which government employment should have some advantages over the private sector, if the literature on the attraction of young people to socially responsible organisations is noted.

Since recruitment has been decentralised to agencies, there are various selection methodologies (although most rely on outdated and risky interview methods). This has also sometimes meant a short term view in leaner economic times, resulting, for example, in a dearth of graduate recruitment in the second half of the 1990s for which the APS will continue to pay a price as its baby boomers retire.

At a more decentralised level, there is room for the APSC better to assist agencies to design and validate their recruitment methods to attract and recruit suitable people from our community, including men and women of more mature age, Indigenous Australians, those from ethnic backgrounds not traditionally attracted to government service, and those with disabilities. These people will assist a more citizen-centred approach in both policy and service delivery roles.

Similarly, high quality job design against particular classification standards and pay rates has been largely ignored by agencies and by the APSC in recent years.

It is essential to equip APS leaders for their people responsibilities, and appraising their performance. This will require a refocusing on the people aspects of leadership. In today's pressured work environment, leadership skills are less likely to include the mentoring and coaching which were a feature of the APS in the past. Both policy makers and service delivery staff were well schooled in the art of public administration in those times of slower pace and less rapid promotion.

Carefully designed, Portfolio strategic policy units and across-government policy task forces (or the policy hubs proposed in the Discussion Paper), could have the spin-off of producing high quality learning environments for less experienced staff who can observe the breadth of other members' skills.

Workforce planning is a perennial issue in agencies. There is confusion about how a workforce plan, and particularly succession planning, for key positions, fits with the merit principle, as evidenced in some of the comments in the Department of the Prime Minister and Cabinet's on-line discussion forums. Again, an APS-wide human capital framework should deal with this issue and provide guidance to agencies on how best to effect their own plans.

#### **Recommendation 5.1**

**A human capital strategy for the APS should be developed, perhaps under the auspices of the Management Advisory Committee, with a wide brief incorporating, inter alia, recruitment, retention, mobility, continuing professional development, diversity and classification and skills profiles, as well as systematic workforce planning.**

#### **Recommendation 5.2**

**Such a human capital strategy should:**

- i. Give priority to recruiting, developing and retaining the best and the brightest in a much more competitive labour market, with complementary APS-wide and agency-specific measures drawing on proven methods used by both the private and public sectors in Australia and overseas;**
- ii. Promote innovative ways of retaining older staff including such measures as panels of retired people able and willing to contribute to particular projects on a part-time basis, including on boards and committees;**
- iii. Strengthen APS-wide measures to improve employment of Indigenous Australians, people with disabilities and people from non-English speaking backgrounds, with the aims of both broadening the employment pool in a tight labour market and ensuring the APS is broadly representative of the Australian community and provides equal employment opportunities;**
- iv. Encourage agencies to apply more rigorous standards to classification and work value assessments, including in particular within the Senior Executive Service, amongst the Executive Level grades and at base APS grades, and to improve the quality of job design to support more effective staff development and more efficient use of human capital;**
- v. Canvass the diversity of career patterns and opportunities in the APS and how these might be supported and better marketed;**
- vi. Promote regular agency capability reviews, including through peer reviews.**

Professional development is a matter of major interest to the Institute and the aspect of public service upon which it is best informed and where it makes its most direct contribution. There is



considerable scope for improvement in this field. Indeed, the Institute broadly supports the concerns which the Prime Minister expressed in his Patterson address in September.

During the past decade there has been a substantial effort to up-grade capacity in staff development and training. Much of this effort has gone into establishment of the Australia and New Zealand School of Government (ANZSOG). This body, bringing together, as it does, most of Australia's public services and many leading universities, represents a large addition to the resources of public services in the crucial task of building up the skills of their staffs for the future. It has, to some extent, reversed a downward trend in academic involvement in the teaching of government and public administration and in resources for research on matters of government and administration. It has also proven to be an innovative alternative to the model used often overseas of a substantial civil service college, with the advantage of being a "virtual" school based on a network of existing and somewhat competing independent universities.

ANZSOG's teaching programs are primarily intended for middle ranking staff with high potential for higher level posts, and for senior executives seeking to refurbish and/or expand their skills prior to further advancement. It has met a perceptible gap in this area of professional development, providing increasingly important opportunities for cross-jurisdictional networking and shared learning. It has the potential now to complement this by developing opportunities for shared learning across more international boundaries including especially with our Asian neighbours.

ANZSOG's success is due in part to cross-institutional as well as cross-jurisdictional collaboration, establishing a common network.

Now, six years after its establishment, it may be possible to give some consideration to a more pluralistic, more competitive approach to fostering professional leadership in the APS without foregoing the benefits of cross-jurisdictional, shared learning and without putting at risk ANZSOG's success.

Because its clientele, though strategically placed, is small, ANZSOG cannot be seen as the central institution for professional development in the APS, or indeed in the public sector of Australia and New Zealand, despite its undoubted success in its short existence.

Other important areas for professional development which ANZSOG does not address, and arguably is not well positioned to address, include the orientation of new recruits – of great significance if a government-wide culture is to be fostered for improved policy formation and administration – and short courses which are largely left to private initiative with limited guidance as to requirements, and the development of those in specialist vocations. And, of course, professional development in the form of broader or deeper experience, including mobility opportunities, is not part of its mandate.

Information on professional development, in the broad sense, suggests that it is still somewhat haphazardly directed and sporadic in impact, notwithstanding the introduction of the Integrated Leadership System in recent years by the APSC and initiatives by a number of agencies such as Centrelink.. Too often professional development opportunities appear to be more a reward or recognition for service beyond the ordinary and call of duty rather than, as it should be, a preparation for further, more complex and demanding work.

In order to place professional development on a satisfactorily firm foundation for a national public service in the twenty-first century, what is needed is a searching examination, on a consultative basis, of the professional development requirements and capacities of the APS and other staff in related agencies, in regional as well as central offices. It should embrace important questions as:

- Who needs development and at what levels;
- What sort of development do they need (formal courses, special assignments, broader experience?);
- How does it fit into career progression;
- Who should provide it;
- How should it be funded and otherwise resourced;
- How should it be monitored (in a management sense) and appraised;
- Relationship of professional development to staffing policies and practices;
- Organisational arrangements for professional development, service-wide and departmental/agency;
- Respective responsibilities of the APSC and departments and agencies;
- The role of professional associations (including the IPAA) in fostering a culture of continuing professional development.

It ought, in particular, take a close interest in how major corporations approach professional development. Their approach is at times more substantial and more purposeful.

The APS is one of the few public services in the English-speaking world never, in its history, to have produced a broad policy statement (however modest) about staff development and its place in the staffing system. It is not that the APS has not had policies in the field, or that it has been a laggard in performance, but it has never had a comprehensive over-arching policy statement. Direction has too often been largely a matter of intuition.

The new Public Service Commissioner should be commissioned to develop a detailed, over-arching framework for professional development as a particular component of a human capital strategy. In the present governance arrangements for the APS the APSC is the logical location for revitalisation of professional development. The activities in question are closely related to the responsibilities of the Commission in several respects apart from the staffing system itself. The APSC's own experience as a training provider will likewise be useful. And there is no other place so suited for the tasks of higher level policy and leadership in this field. It would have the added advantage of providing the APSC with a valuable vehicle for forging stronger and more constructive relations with the departments and agencies of the APS.

This review of professional development should be conducted by the Commissioner in association with three or four suitable colleagues with appropriate and informed backgrounds.

### **Recommendation 5.3**

**The Australian Public Service Commissioner should develop, in consultation with APS agencies, a more detailed framework for continued professional development of APS staff, in regional as well as central offices. It should include:**

- i. A more systematic approach to deepening and broadening skills, and updating and refreshing them, through rotations and placements with on-the-job training as well as through training programs, and through opportunities for mobility including in and out of the public sector;
- ii. The importance of shared leadership skills and responsibilities through mandated training of those entering the Senior Executive Service by the Australian Public Service Commission;
- iii. An emphasis on development which helps APS members to build networks across jurisdictions both nationally and internationally;
- iv. An emphasis also on the responsibility of individual APS members to continue their professional development including through professional associations like IPAA, AHRI, CPA, AIM and the Economics Society.

## 6

# GOVERNANCE OF THE AUSTRALIAN PUBLIC SERVICE

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*(This section addresses the issues and questions raised in Chapter 8 of the Discussion Paper, and a number of other issues of governance and structure.)*

The APS is a general purpose government workforce which staffs the departments of state and a wide range of kindred agencies such as the Customs Bureau, the Australian Taxation Office and the Productivity Commission. For management purposes departmental secretaries, the administrative heads of departments, are mostly designated as portfolio secretaries and advise ministers about allocation of resources within the portfolio as a whole as well as the departments themselves. The departmental machinery of government has been structured on this basis for more than two decades and has generally worked satisfactorily.

It is in this context that the governance of the APS itself must be considered. The present arrangements are mainly contained in the Public Service Act. The essential features as set out in the legislation are:

- Most management responsibilities are vested in the secretaries of departments (heads of agencies) who must exercise them in accordance with the Public Service Act, especially the Values, and other related legislation (including for most APS agencies the Financial Management and Accountability Act);
- Departmental secretaries are appointed by the Prime Minister following a report from the Secretary to the Department of the Prime Minister and Cabinet (except in relation to an appointment to that post when the report is provided by the Public Service Commissioner);
- The Public Service Commissioner is responsible for overseeing the personnel system including promotion of the Values and the Code of Conduct. The Commissioner has particular duties relating to the Senior Executive Service; and
- There is an APS Management Advisory Committee, chaired by the Secretary, Department of the Prime Minister and Cabinet, with the function of advising the Government on matters relating to the management of the APS. It consists of all departmental secretaries and others nominated by the Secretary to the Department of the Prime Minister and Cabinet. The Public Service Commissioner is the Executive Officer.

Responsibilities vested elsewhere under the Administrative Arrangements Order are:

- Policy on public service pay and employment conditions fall under the Department of Education, Employment and Workplace Relations;
- Policy on 'departmental expenses' (including the costs of salaries and wages) falls under the Department of Finance and Deregulation.

These arrangements with some variation date from 1987. During the late 1980s and 1990s service-wide policy was often considered by a smaller management advisory board which included some external representation from business and the unions. It was supported by a group of senior officers called the management improvement advisory committee.

The IPAA believes that the structure embodied in the Public Service Act should be strengthened to reinforce the professional leadership of the APS and to provide a comprehensive basis for fostering quality performance by the APS and its capacity for innovation. Our proposals are set out in the following paragraphs.

First, appointments (and terminations) of departmental secretaries should be on the basis of a joint report from the Secretary to the Department of the Prime Minister and Cabinet and the Public Service Commissioner after consulting the responsible minister. This would be consistent with the approach recently adopted by the Government to appointments of other agency heads which involve reports from the relevant departmental secretary and the Public Service Commissioner.

The professional character of the process would also be strengthened by a provision that rejection of a recommendation would be reported to Parliament.

This proposal is based upon several considerations. It is consistent with the apolitical, impartial and professional character of the APS that appointments to the highest posts should reflect the Values which, by statute, the Service is enjoined to exemplify. The Commissioner, the custodian of those Values, and effectively the professional head of the APS, should be formally part of the process whereby those occupying the chief posts in the Service are chosen.

Such a move would be a public affirmation that merit and open competition, the rule for the APS generally, is as active at the top as it is elsewhere.

Moreover, the Commissioner would bring expertise and knowledge to such appointments. Because of the Commissioner's role in appointments to and within the Senior Executive Service, the Commissioner has systematic knowledge of the strengths and capacities over a period of time of internal candidates for the highest posts. This knowledge is unmatched anywhere else in the APS.

If, as the IPAA favours, secretary and other posts of comparable rank are increasingly filled in a more open manner, the presence of the Commissioner in a formal sense will foster public confidence in the integrity of the process, especially its impartiality and non-partisanship.

Finally, giving the Public Service Commissioner a joint role in secretary appointments will remove questions and doubts about the appropriateness of an arrangement in which one person alone provides advice to the prime minister.

In this connection, the Advisory Group and, indeed, the Government should ponder thoughtfully the counsel it has received from the distinguished scholar, Professor Richard Mulgan, now of the Australian National University, whose expertise embraces not only Westminster practice here and in New Zealand, but also classical political philosophy. His advice in this matter is as follows:

. . . [C]onsideration should also be given to strengthening the role of the Public Service Commissioner as guardian of public service values, including giving the Commissioner a

more central role in Secretary appointments and service-wide initiatives. Allocating the main leadership role of the Secretary of PM&C gives insufficient weight to maintaining the full range of APS values, especially in so far as these values may require preserving a proper distance from the short-term partisan concerns of government. The primary role of the Secretary of PM&C is to coordinate and implement the government's policy program and he or she is inevitably drawn into a very close relationship with the Prime Minister and the government. Moreover, while recent incumbents have been public servants of impeccable integrity, the position has become *de facto* politicised, with each Prime Minister appointing a congenial Secretary of PM&C early in his term of office. We are fortunate at present to have a Prime Minister and Secretary of PM&C who both understand and respect their traditional roles but we should plan for a future in which one or the other does not. Placing the Commissioner at the centre of Public Service control would be a good institutional insurance for the future.

#### **Recommendation 6.1**

**Appointments of portfolio secretaries by the Prime Minister should be made following a joint recommendation by the Secretary, Department of the Prime Minister and Cabinet, the operational head of the APS, and the Public Service Commissioner, the professional head of the APS, following consultation with the relevant minister.**

**Consideration should be given to the Government reporting the matter to Parliament where the recommendation is not accepted.**

IPAA also believes that performance review should be reintroduced and led by the Public Service Commissioner. It should be on a professional and peer group basis using two or three senior secretaries or others of secretary rank. It should include consultation with the prime minister and also portfolio ministers. We are specifically not advocating reintroduction of performance pay for secretaries.

At present there is no regular mechanism for review of performance or for bringing possibilities of improvement to the attention of secretaries despite ample evidence that timely performance feedback to staff at all levels is an essential ingredient of improved organisational performance. These gaps would be filled by a review procedure and filled better because it is a professional review rather than a pay review.

#### **Recommendation 6.2**

**Performance assessment of agency heads should be reintroduced. It should be led by the Public Service Commissioner with an emphasis on peer review, including also consultation with ministers and the Prime Minister, and without performance pay attached.**

In addition to strengthening the office of Public Service Commissioner as the professional head of the APS, the IPAA also believes that the professionalism of the APS would be reinforced by unification of the human resource function of the public service. This may be accomplished by vesting responsibility for pay, classification and employment conditions matters in the Public Service Commissioner.

Division of remuneration and related functions between the Commissioner and the Department of Education, Employment and Workplace Relations (DEEWR) is a weakness; workplace relations under this arrangement will not receive the attention they require in future decades – indeed, public service matters rank so lowly in DEEWR’s conception of its responsibilities in the public service field that they are barely visible on its web-site. Annual reporting on workplace relations in the public service is correspondingly slight. There is no reason given the size of the public pay roll that these important matters should not be dealt with in a manner comparable to staffing and personnel management.

A further factor lying behind this proposal is that it is unwise to confuse the Government’s general responsibilities for workplace relations with its own particular responsibilities as an employer with its own work force. This creates either functional conflict or, as at present, a measure of neglect. Nor should these responsibilities as an employer be transferred to the Department of the Prime Minister and Cabinet which has virtually no role in these matters to build on and where it may not be given the attention it deserves given that Department’s higher tasks to coordinate policy advice to the Government and marshal the resources of the public service to implement the Government’s policies and programs.

The Institute has no firm view on the precise way in which the Commissioner might manage responsibility for pay and classification, but believes there is urgent need for more consistency perhaps through clearer classification standards, some form of APS-wide pay ‘spine’ and processes for timely consideration of agency proposals for new classifications related to particular agency requirements. The Commissioner should also promote good practice in job design. Because of the implications for departmental expenses, the Commissioner will need to work closely with the Department of Finance and Deregulation in exercising responsibility for pay and classification, and abide by any publicly-stated Government policy on workplace relations and funding of departmental expenses.

### **Recommendation 6.3**

**Unification of the human resource function in the APS should be supported by vesting the Public Service Commissioner with responsibility for classification standards and public service workplace relations.**

These various proposals entail a significant augmentation in the role of the Public Service Commissioner. Elsewhere IPAA has also recommended that the Commissioner should take a lead role in placing the leadership and direction of professional development within the APS on a much higher plain.

Accordingly, the IPAA believes that the present provision in the legislation whereby the Commissioner is appointed “for a period of up to five years” should be amended. Terms of less than five years erode the institutional integrity of the office and inhibit the longer term perspective necessary. This is particularly so when, as has happened, the Commissioner is appointed for an abbreviated term the end of which falls at a time when general elections are expected. Such a practice, in relation to this office, compromises the post in meeting its responsibilities to an APS which is, by statute, “apolitical, performing its functions in an impartial and professional manner.”

#### **Recommendation 6.4**

**The Public Service Commissioner should be appointed for terms of five years.**

To give added capacity to the Commissioner's role in professional leadership of the APS, the IPAA believes there should be a facility in the Public Service Act for appointment of associate commissioners, either on a temporary or a part-time basis, for such tasks as the Commissioner may assign to them. This facility is available to the Productivity Commission and is used with advantage. It would work with comparable usefulness in this context.

#### **Recommendation 6.5**

**The option should be introduced of having Associate Public Service Commissioners on a part-time and/or temporary basis, engaged on particular management reviews or to assist in succession management and performance assessment.**

The Institute considers that the Commission, in supporting the Commissioner in key responsibilities, has been distracted by requirements that it meet a high proportion of its funding from revenue raising activity. The Commissioner should basically concentrate full-time on the responsibilities assigned under the Public Service Act. Its funding, in the main, should come from appropriations.

#### **Recommendation 6.6**

**Significantly less reliance should be required of the APSC to raise revenues from fees; appropriation funding should be increased.**

The Institute notes that the Management Advisory Committee has from time to time (particularly in the early 1990s but also for a time in the 2000s) proven to be a most effective forum for plenary consideration of policy and in smaller groups for intensive examination of issues. This is a major means whereby the collegial leadership of the APS can be expressed and should be used more consistently and effectively. It also provides opportunities for high-flying senior executives to gain experience in cross-Service management issues and to be observed by the leadership of the APS as part of succession management.

The Institute also considers there would be advantage for the APS if some formal means of involving and informing the interest of the broader community in its affairs were to be developed. The Prime Minister of Canada has a panel composed of leading figures in business and universities to provide advice on issues of general public concern. There could be value in a comparable body in Australia, also bringing in people from the non-government and voluntary sectors, as a bridgehead for the APS into the community.

#### **Recommendation 6.7**

**More effective collegial leadership of the APS should be pursued through active use of the Management Advisory Committee.**



### **Recommendation 6.8**

**An appropriate high-level mechanism should be developed for consultations with business and non-government sector leaders about relevant APS matters.**

In other respects, as mentioned, the broad structure of Australian Government administration works satisfactorily. Important to this structure is its links to the political decision-making processes of the Government and to ministerial and collective accountability to the parliament. Increased requirements for 'connected' policy and administration should build on the portfolio and cabinet structures first introduced in 1987. These entail the central agencies playing the main role in helping cabinet and the Prime Minister to coordinate policy and administration across government, and portfolio secretaries having a critical role both coordinating policy advice for portfolio ministers and advice on resource allocation across the range of agencies in the portfolio.

Alterations stemming from the Uhrig report may achieve a more consistent approach to which financial management legislation should apply to which agency, and whether an agency should come under the Public Service Act or have separate employment authority. The Institute supports in particular the broadening of Public Service Act coverage to all agencies that are not commercially oriented or otherwise have good reason for separate employment arrangements, noting this would support a more connected and cohesive public sector. But it is not appropriate for public service agencies to be absorbed into ministerial departments, as separation often facilitates more specialised service delivery and more independent administration (for example, of regulation) where that is in the public interest. In such cases, however, the role of portfolio secretaries to help in the coordination of policy and resource allocation is of great importance.

### **Recommendation 6.9**

**Portfolio and agency structures should be maintained to support ministerial and organisational accountability for government decision-making, notwithstanding the importance of APS-wide connections:**

- i. With Cabinet, supported by the central agencies, as the primary mechanism for coordination and collective responsibility;**
- ii. With "portfolio secretaries" having a critical coordinating role, allowing continued use of separate specialist agencies able to focus on particular responsibilities with a greater degree of independence.**

The Institute also favours continued devolution of financial management and HR management, apart from reassignment of the classification and pay functions. This was progressively introduced over the 1980s and 1990s, and has helped agencies to focus on their different business requirements and to improve their capacity to achieve the results expected of them by the Government and the parliament.

### **Recommendation 6.10**

**Apart from classification and workplace relations responsibilities, to be transferred to the Public Service Commissioner, devolution of financial management and human resource management should continue, with an emphasis on accountability for results.**

There is, nevertheless, a strong case for review and reinvigoration of many of the initiatives of recent decades, partly to adapt them to current conditions, and partly to address unintended consequences – the outcomes/outputs framework and accrual accounting particularly fall into the category of needing a revamp, as evidenced by the recent work on Project Sunlight. The efficiency dividend also needs revising as recommended by IPAA last year to the Joint Committee on Public Accounts and Accountability. A new approach could be complemented by selected whole-of-APS management improvement measures so that departments and agencies have strong incentives to improve performance rather than a hesitancy that steps will undermine effectiveness.

**Recommendation 6.11**

**Continued effort should be made to address the unintended consequences of some of the initiatives of the last decade (for example the outcomes/outputs framework and accrual accounting) to make performance reporting more readily understandable and relevant to the public sector.**

**Recommendation 6.12**

**Efficiency dividend arrangements should be revised and complemented by selected whole-of-APS management improvement measures which do not undermine individual agencies' effectiveness.**

## CONCLUSION

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The Discussion Paper and the KPMG Benchmarking Study suggest that the APS is amongst the high performing public services internationally, but that further effort is needed in the areas of strategic policy advice, citizens-centred services and workforce capacity.

While supporting these priorities, the Institute would favour a more comprehensive agenda to encourage continued improvement in the performance of the APS and reinforcement of its existing strengths, and to extend the impact of the Review to the broader Australian public sector.

As the KPMG Study recognises, international comparisons are fraught with dangers, despite the importance of constant monitoring of international practice and initiatives. It is always critical to “learn about” before “learning from,” to understand the context in which countries’ public services operate, and to appreciate the need always to adapt any good ideas to our own situation.

The last comprehensive review of the APS was the Royal Commission into Australian Government Administration. It reported in 1976. Within its wide range of recommendations three themes have been identified which have affected public administration enormously during the following thirty years:

1. Responsiveness to the elected Government and its policy initiatives;
2. Efficiency and effectiveness with a focus on objectives and results;
3. Community participation.

To a large extent these themes remain relevant today, but we suggest the actions arising from this Review might reflect the following broad themes relevant to today’s challenges and opportunities:

1. Confirmation of the critical role of the APS in Australia’s system of responsible parliamentary government, serving the public and the Parliament as well as the government, with a stronger whole-of-service identity and greater capacity for strategic policy advice and management in the public interest.
2. Quality public services, responsive to individual and community needs and preferences, particularly through better use of technology
3. More interconnectedness, particularly with other governments, both nationally and internationally, given the stronger role of the national government today.

These themes run through this IPAA submission and the range of recommendations on the role and values of the APS, service delivery and citizen-centred services, policy advising, APS workforce and professional development, and governance.

The Discussion Paper and the KPMG Benchmarking Study also refer to public trust and confidence. Following the Global Financial Crisis there has been increased recognition world-wide of the

importance of governments and of the limitations and failures of markets without effective government intervention. This recognition, however, will only lead to a lasting increase in trust and confidence in public services, if public services are competent and have high levels of integrity. Both these ingredients are emphasised in the suggested themes above, and in the Institute's recommendations.

## MORAN REVIEW OF THE APS

# From Rhetoric to Blueprint: The Moran Review as a Concerted, Comprehensive and Emergent Strategy for Public Service Reform

Evert Lindquist

The Australian National University, Australian and New Zealand School of Government

University of Victoria, British Columbia

*On 3 September 2009, Prime Minister Rudd announced a six-month Review of Australian Government Administration. He appointed an Advisory Group chaired by Terry Moran, Secretary of the Department of Prime Minister and Cabinet, to prepare a discussion paper, oversee a benchmarking study and consultations, and craft a blueprint to reform the Australian Public Service (APS) in order to deal with future governance challenges. The vision is to develop a forward-looking, innovative, collaborative, citizen-focused, agile, informed and highly-skilled APS to advise and deliver policy and services for government. Ahead of the Game, a comprehensive Blueprint for action, was released on 29 March 2010. This article provides a high-level review of motivations and process for the Moran Review, an overview of the Blueprint, an assessment of the strategy and process, and suggestions for moving forward on selected issues.*

**Key words:** *Moran Review, reform, Australian public service*

On 3 September 2009, Prime Minister Kevin Rudd announced a review on the Reform of Australian Government Administration (RAGA) and that an Advisory Group chaired by Terry Moran, Secretary of the Department of Prime Minister and Cabinet (PMC), would draft a discussion paper, review submissions, and make recommendations for his government to consider. Rudd's announcement envisioned the need for bold decision-making to address tough governance challenges which, in turn, would require an innovative, collaborative, and citizen-focused government supported by a forward-looking, agile, and informed public service when designing and delivering policy.

There are several challenges in undertaking an assessment of the Moran Review.<sup>1</sup> First, the review's scope is breathtaking: revisiting APS values, exploring how to improve policy capabilities, bringing a citizen orientation to ser-

vice delivery, linking front-line staff to policy advice, calling for more citizen engagement, improving recruitment and leadership development, unifying the APS, and encouraging more collaboration across levels of government and other sectors, etc. Second, but not surprisingly, a review of such scope attracts commentary and submissions on almost every conceivable aspect of public sector reform. Third, anyone who has monitored or lived through reform initiatives knows that there are gaps between rhetoric and what gets accomplished, that announced reforms tend to gather up and move along previous reforms, and that many reforms will take years and perhaps a decade to get implemented and achieve desired results. Fourth, since the review was announced, the Rudd government has been under attack for implementation issues associated with the home insulation and other programs which have markedly changed the optics for the reform initiative.

What follows is an attempt to make sense of the Moran Review process, to analyse the Blueprint it forwarded to the government, and to offer some guidance for implementation. The first section summarises the motivations animating the review, important themes at play, and the approach that was taken towards consultation. The second section provides an overview of some of the main features and themes of the Advisory Group's final report, *Ahead of the Game*, which was publicly released on 29 March 2010, and set out a comprehensive framework and aggressive timelines for APS reform.

The third section assesses the Blueprint, even if many of the details of the strategy remain emergent, by design. It does so by invoking some of the standards the Moran Review applied to undertaking high quality policy analysis (strategic orientation, evidence and analysis, engagement, performance and innovation), through the lenses of rhetoric and symbolism, and the overarching challenge of balancing and realising competing aspirational values with limited resources. The fourth section looks forward and offers ideas on selected topics: broadening the current focus of citizen-satisfaction surveys; ensuring strategic taskforces can work well with stakeholders; proposing a research agenda to inform specific initiatives and revitalize networks of public management experts; exploring the links between capability reviews and cross-jurisdictional benchmarking; tackling the APS values with different perspectives; and suggesting a sequencing strategy for building out a new Australian Public Service Commission (APSC) over several years.

### 1. The Moran Review: Motivations and Process

By 2009, the APS was overdue for a comprehensive review of its capabilities in the context of emerging policy and governance challenges. First, there had not been a significant review since the 1980s, notwithstanding the reforms of the 1990s to the Australian Public Service Commission, the senior executive service (SES), and the broader industrial relations

regime that affected the public sector. Second, it is not surprising that the Rudd Labor government would assess the state of the APS after serving under the Howard government for over a decade (March 1997-December 2007). Third, the global financial crisis posed long term policy challenges for many governments which had implications for public service reform. Fourth, the New Public Management had lost its lustre as guide for reform, with increasing scholarly and practitioner speculation about the features for the next wave of reform (eg, Christensen and Laegreid 2007; Bourgon 2008; Lindquist 2009a).

Prime Minister Rudd and Terry Moran, the PMC secretary, used several occasions to articulate their views on the nature of the challenges confronting the Commonwealth of Australia and the implications for the Australian Public Service,<sup>2</sup> which were echoed in the discussion paper circulated by the Advisory Group in October 2009. In outlining their case for a review and reform, the prime minister, the PMC secretary, and the Advisory Group developed a comprehensive perspective on governance challenges and implications for the APS. Rudd and Moran were careful to laud the traditions and the performance of the APS in their speeches, particularly with respect to advising the government and implementing early policy decisions of the government. On balance, the argument for reform was rooted in an urgent sense of a need to 'pull to' better ways to deal with complex challenges, often crises.

Crisis emerges as a multi-faceted touchstone for thinking about APS reform. First, Rudd and Moran depicted the global financial crisis and the Victoria bushfire crises as examples of how the APS rose to the occasion to provide advice under pressure. Second, the quick APS response to recent crises was depicted as evidence of its potential to address other issues with the same degree of urgency and innovation (Rudd 2009b). Third, the crises were seen as evidence of a larger set of transformations under way, which require 'the public service to develop new structures and skills, and find talented new people' (Rudd 2009a). All of this led to the conclusion that the APS needed more

capability for ‘transformational thinking’, which encompassed several intertwined ideas:

- Policy innovation and creativity;
- Policy advice and contestability;
- Evidence-based analysis and pilots;
- Strategic policy capability;
- Whole-of-government perspective;
- Collaborative approaches;
- Effective programs and services;
- Engaging outside experts;
- Connecting front-line experience to policy design;
- Engaging citizens on several fronts;
- Effective programs and services;
- Measuring performance and benchmarking;
- Agility, flexibility and mobility; and
- Efficiency and review.

This is a comprehensive, aspirational list of capabilities, practices, and discipline that public service institutions and their leaders should have for dealing with future challenges. Running across all of the speeches and discussion paper is a sense of urgency and need for excellence in every direction.

Rudd and Moran set out these ideas while saluting the values, traditions and responsiveness of the APS. The prime minister emphasised that his government ‘came to office pledging to *reinvigorate* the Westminster tradition of a merit-based, independent public service committed to the highest-quality policy-making. We chose the word *reinvigorate* carefully. We did not say ‘reinvent’, because the APS is a strong, professional public service that has served successive governments very well’ (Rudd 2009a). However, one can sift through the speeches and discussion paper to find a trenchant critique of the APS, informed by a mix of personal observations and evidence from the benchmarking paper commissioned by the Advisory Group.<sup>3</sup> The deficiencies noted include:

- Policy advice is too often reactive and narrow;
- Too little genuinely strategic policy capability;
- Policy advice is not sufficiently connected to implementation;

- Insufficient feedback and learning on the quality of policy and advice;
- Insufficient external engagement with stakeholders and citizens;
- Lack of a common APS identity to build experience and cross-boundary thinking;
- Insufficient investment in learning and development;
- Insufficient creativity and innovation; and
- Insufficient management skills.

In short, despite lauding the performance of the APS in advising the government on the global financial crisis and the Victorian bushfires, significant concerns had arisen in key quarters about its performance and ability to address future challenges. Such concerns could only have been amplified after the release of the Advisory Group’s discussion paper, with the controversies over the home insulation and school infrastructure programs. In short, there was a significant push-from-the-present complementing the pull-to-the-future rhetoric animating the reform process and its goals.

### *The Advisory Group and Secretariat*

In announcing and shaping the Reform of Australian Government Administration process, the prime minister opted for a conventional blue-ribbon taskforce approach, with a time-limited mandate to produce a discussion paper. The Advisory Group, chaired by Terry Moran, Secretary of Department of Prime Minister and Cabinet, was comprised of several public service, private sector, and university representatives.<sup>4</sup> While some observers have suggested that there were too many insiders and mates among the Advisory Group, there can be little doubt about the diversity of their collective experience, their acumen and their ability to speak truth to power based on experience as well as having a zone of comfort with the prime minister and the PMC secretary.

The Advisory Group met six times over six months, supported by a secretariat consisting of seven public servants and a similar number on tap for special projects. Early on it seemed that the review was structured so as to distil and test existing ideas, to identify new ideas and

articulate an approach to the prime minister about the policies, actions and capabilities required to move forward.

### *The Advisory Group's Discussion Paper*

Reflecting the ideas and concerns of the prime minister and the PMC secretary, the review and the *Building the World's Best Public Service* discussion paper (AGRAGA 2009) were organised around five themes:

1. A values driven culture that retains public trust;
2. High quality, forward looking and creative policy advice;
3. High quality, effective programs and services focused on the needs of citizens;
4. Flexibility and agility; and
5. Efficiency in all aspects of government operations.

The overarching theme tabled by the Advisory Group, and presumably endorsed by the prime minister, was identifying reforms that would lead to the 'best public service in the world' (AGRAGA 2009:10).

Although a bewildering number of themes and initiatives were flagged in the speeches and the discussion paper, several big ideas that stood out from the rest:

- Re-think and modernise the APS values and convey in a more concise format;
- Develop a unified APS and more corporate SES leadership;
- Dramatically increase the mobility within and from outside the APS;
- Develop strategic policy hubs to pull together public servants from departments and agencies across the APS and experts from outside government;
- Develop new modalities of engagement with citizens, including using information technology to increase the transparency of government, to improve service and choice in government services, and to increase citizen engagement;
- Develop an APS-wide human capital strategy and a new generation of leadership, in-

cluding centralised approaches to recruitment and learning and development;

- Deepen relationship with external institutions such as the Australia and New Zealand School of Government (ANZ-SOG) and universities for research and professional development, although the Australian National University (ANU) was singled-out as potentially playing a special role;
- Rethink the performance management system in support of proposed reform priorities, including cross-government priorities and achieving outcomes, and supplement this with a commitment to benchmarking, evidence-based decision-making, and measurement; and
- Move beyond reliance on the efficiency-dividend approach to securing efficiency in government operations and explore alternative approaches.

Each of these initiatives constitutes a significant undertaking on its own terms and is comprised of several related initiatives. Indeed, many of them overlap with cross-cutting themes that inform directions and proposed solutions. Stepping back, it seems clear that the broad goal of the Reform of Australian Government Administration is to put the APS on a fundamentally different footing with a different culture, integrated approach, and new expertise and repertoires.

The discussion paper, released in October 2009 by the Advisory Group, was 48 pages in length and reasonably accessible and engaging. While acknowledging past reform initiatives and the current strengths of the APS, the Advisory Group did not dwell on them. It provided high-level background and facts on the size, attitudes, and other features of the APS, and set out the strategic challenges and aspirations for the APS. At the heart of the discussion paper were five chapters, successively organised around the five main substantive themes noted above. Each set out the expectations for making progress, ventured an assessment of current approaches and capabilities, offered some reform directions and specific ideas to consider, and concluded with a handful of broad open-ended



questions. It is not a full analysis and dissection of the issues, but rather, sought input and reactions.

### ***The Benchmarking Report***

When Prime Minister Rudd announced the review, he indicated that a benchmarking study had been commissioned. Undertaken as a nine-week engagement, the resulting study was released in early November (KPMG 2009). Several performance areas, requirements and indicators were chosen in negotiation with PMC, which could be drawn from existing studies with rankings or other sources of information. Eight benchmark countries were chosen in consultation with the RAGA secretariat in PMC – Canada, Denmark, France, Netherlands, New Zealand, United Kingdom, and United States – based on the extent of recent significant public sector reform experience, perceived commitment to excellence, and, interestingly, the jurisdictions' awareness of and ability to achieve reform.

The methodology section acknowledged the limitations of data, gaps and insufficient cross-jurisdictional data series, and the inherent difficulty in trying to capture and rate progress across countries with respect to variables such as quality, innovation, whole-of-government, collaboration, etc. Perhaps the most interesting aspect of this report, and the least commented on, was a decision to rate how Australia stood (high, medium or low) with respect relative to the benchmark countries: it is important to recognise that all of the countries were generally high performers, so the notion of high, medium or low is certainly relative!

The result was a quasi-systematic first-cut survey of readily available information, data, and rankings of public service performance on certain variables, and best practices. It was an interesting attempt to identify a framework and then populate the requirements and indicators with evidence. However, even where data and practice seemed credible (and these were references to the existence of institutions, processes or charters devoted to certain purposes), there was no attempt to assess effectiveness and relative impact, nor was any effort made to differ-

entiate, compare, and evaluate best practices.<sup>5</sup> This study did not inspire confidence in the Review.

### ***Other Information and Sources of Ideas***

The Advisory Group did not limit its information-gathering, of course, to the KPMG benchmarking study. Along with other background information cited in the discussion paper, its deliberations were informed by the APSC's recent *State of the Service* reports (APSC 2002-2009) and several other taskforces either in motion or recently completed. The taskforces included:

- The APS Management Advisory Committee (MAC) was sponsoring a project on public sector innovation, building on the most recent Commonwealth Budget and other initiatives (Australian Government 2009a; MAC 2009; RNIS 2008);
- The Government 2.0 Taskforce (2009) produced its final report in late 2009 which, among many other things, explored how to share data and information, increase the openness of government, and use new web 2.0 tools for engaging citizens and stakeholders;
- The final report of the *Review of the Australian Government's Use of Information and Communication Technology* (Gershon 2008) which, beyond advancing thinking in this area, led many executives to wonder about broader application the logic of APS-wide approaches;
- Two APS MAC reports, *Reducing Red Tape in the Australian Public Service* (2007) and *Connecting Government: Whole of Government Responses to Australia's Priority Challenges* (2004), continued to serve as touchstones; and
- Lurking in the background was work proceeding under the aegis of the Remuneration Tribunal on the responsibilities and compensation of APS secretaries and agency heads (Remuneration Tribunal 2010a).

Several papers in the APSC *Contemporary Government Challenges* series drew attention

focused on wicked problems, evidence-based policy-making, and smartly choosing policy instruments (APSC 2007a, 2009a, 2009b, 2009c).

### *The Engagement Process*

The Advisory Group and its secretariat were responsible for consulting public servants, experts, and the public about their perspectives on the challenges, aspirations, and proposed strategic directions for the APS. The consultations were comprised of the following elements:

- *Traditional Submissions.* When the discussion paper was released by the Advisory Group on 1 October 2009, members of the public was invited to make written submissions to the PMC 'Reform of Australian Government Administration' web site. With a closing date of 30 November 2009, there was an 8-week window to draft and send in submissions. More than 200 written submissions were received (AGRAGA 2010:13) and, of these, 181 were posted on the PMC web site.
- *Online Dialogue.* During October and November four 'online discussion forums' were held in parallel to the written submission process, hosted the PMC online forums web site (see URL: <<http://forums.pmc.gov.au/>>). The forums were comprised of four sequential three-day waves of dialogue revolving around selected questions identified in the discussion paper:
  - *15-17 October* – What are the most important challenges facing the public sector in the next 10 years? What are the implications for how the public service will need to operate? 51 posts
  - *21-23 October* – What should be the aspiration for the public service? Do you consider the following aspiration appropriate '... to be the best public service in the world, unified in pursuing excellence and putting Australia and Australians at the centre of everything we do'? 20 posts

- *27-29 October* – What three things do you think most need to change in the public service so it can operate effectively in the 21<sup>st</sup> century? 613 posts
- *2-4 November* – Should the APS Values as contained in the *Public Service Act 1999* be streamlined and simplified? What values do you consider should be included in a revised set of APS Values? 103 posts

A total of 805 posts were made across the forums (this compares to 77 for the electoral reform discussion, which took place from 9–27 November).<sup>6</sup>

- *APS Forums.* Though not flagged on the PMC web site, several forums targeted current members of the APS (Brisbane, Melbourne, Newcastle, Perth, and two in Canberra) and focused mainly on eliciting views on the challenges and APS values. A 'Recent Entrants' roundtable also explored perceptions of the APS and recruitment.
- *Internal Reference Group.* Complementing the Advisory Group was an internal reference group comprised of a standing representative from APSC, four from PMC's executive group, one from Department of Finance and Deregulation (DOFD), and only two from departments or agencies.
- *Senior Australian and International Experts.* The final report *Ahead of the Game* mentions that many experts were contacted, but no mention was made of how many, whom and for what purpose, such as informing the drafting of the benchmarking paper.

Given the very public build-up to launch of the RAGA process, the government knew it could also count on the reactions of key commentators in *The Public Sector Informant* (Canberra Times) and *Public Administration Today* (Institute of Public Administration Australia (IPAA)), some of whose views were well-known, as well as editorials and coverage in major Australian newspapers.

The Moran Review consisted of a non-trivial consultation process, with several means for engaging the rank-and-file and executives in

the APS, and interested associations, experts, groups, and citizens outside the Commonwealth government. There is not the space here to report on the nature of publicly available submissions and postings,<sup>7</sup> however one way to evaluate RAGA as a process is the extent to which, by its own standards, it fully engaged stakeholders and whether the information it supplied could lead to the best possible advice.

## **2. *Ahead of the Game: An Overview of the Blueprint***

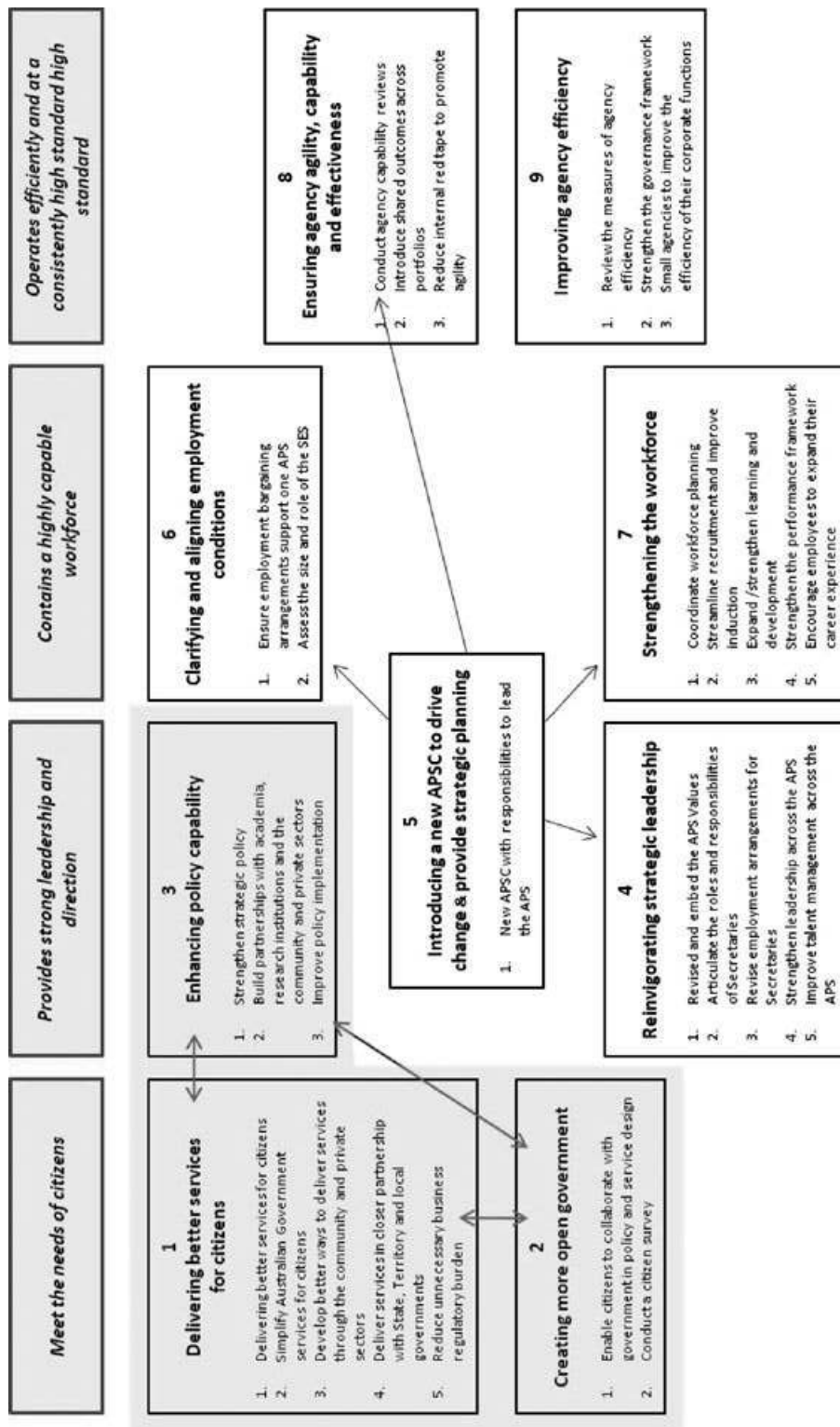
Seven months after its commission from the prime minister, the recommendations of the Advisory Group were officially released on 29 March 2010 in a report entitled *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*. The government had suggested that the Moran Review would take six months to be completed and report early in the year, and its release, amidst several other pressing government priorities was on time when compared to withholding of the findings and recommendations of the Henry taxation review. This section reviews the content and organisation of the review, key recommendations and whether key ideas were dropped or new ones emerged, and, finally, the reactions of key commentators.

*Ahead of the Game* is nicely laid out, incisive, and well-organised. The executive summary lays out high-level recommendations and an organising framework (p.xii) (see Figure 1), which provides the backbone of the report and the basis for organising the recommendations (itemised in Appendix 4:80-81). The first half of the Blueprint, in many ways, uses the background in the discussion paper to ramp up the Blueprint. It pulls together more explicitly and satisfactorily the key themes found in the Rudd and Moran speeches and the discussion paper. It does a better job of acknowledging and citing other reports and initiatives. The 'How Are We Going' section is weak, relying heavily on judgments made for the discussion paper. Throughout the document support from selective submissions is noted, without in any way indicating the nature of evidence in those reports or

the number of submissions that had been made in support of the point in question. However, as the reader moves further into the Blueprint, it becomes very action-oriented: each reform area (four in total with two or three sub-areas in each) to setting out a 'vision for the future' (equivalent to a PowerPoint slide), supporting comments (usually not evidence-based), then specific recommendations buttressed by high-level action items and responsibilities. Many of these ideas restate previously identified challenges, and the report clearly acknowledges they require considerably more consultation and research in order to develop a strategic focus and operational plan to move forward.

Indeed, *Ahead of the Game* reads more like a party manifesto with a checklist of undertakings and highly aggressive timelines (p.79), even if the 'world's best' theme is nowhere to be found in the final report except in an allusive reference in the foreword. Viewed this way, the Blueprint functions more as a directional and an accountability document, and one that won't address the criticisms by observers of the discussion paper about a lack of depth and careful analysis (however, in my view the balances that were struck in terms of mechanisms and assigning responsibility were very creative and feasible). This, in turn, raises important questions about sequencing, pacing, phasing, capacity to drive the reforms, etc. Presented as a two-year transformation, it will more likely be a decade-long change process that will move forward in fits and starts even if there continues to be political cover and active top APS engagement. The short Implementation section (p.71) identifies short term, medium term and long term activities, requiring extensive consultation and more detailed implementation planning (and, one might add, considerably more research and analysis). It also proposes, similar to Canada's Prime Minister's Advisory Committee on the Public Service (Government of Canada 2008, 2009), that an external panel would receive progress reports on the Blueprint from the Secretaries Board (supported by the APSC) and, in turn, report to the prime minister. But APSC has overall responsibility, and would use a model like the Cabinet Implementation Unit (CIU) in PMC to monitor process (p.71). Presumably

Figure 1. Key Reforms Recommended by Blueprint



Source: Adapted from AGRAGA 2010:xii.

oversight of the APSC and its Commissioner will be obtained through its minister and the PMC secretary.

In terms of substance and emphasis, the ordering of priorities changed with Blueprint: rather than lead with policy and values, as was the case with the discussion paper, it begins by focusing on citizens, then policy capability and engagement, and finally the leadership and institutional capacity in the APS to drive the change. The first set of concrete proposals centred on an aggressive approach to getting citizen views on services and other matters (pp.38, 40), taking advantage of international practice on citizen services *and* building on and rationalising what APS departments and agencies are already doing. The second set of proposals focus on expanding the mandate and strengthening the APSC and its commissioner, with a view to: improving industrial relations; developing an APS-wide strategic approach to recruitment, leadership and professional development; having a greater role for the APSC Commissioner in providing advice on the appointment of secretaries and monitoring the performance of secretaries and departments, particularly with respect to meeting APS-wide policy, service delivery, and institutional development priorities. Finally, the goal of developing and using metrics for measuring progress and performance remains a prominent theme.

Several new ideas emerged in the Blueprint, including interesting variations on earlier themes and new ways to lever existing institutions, while others slipped away. These include:

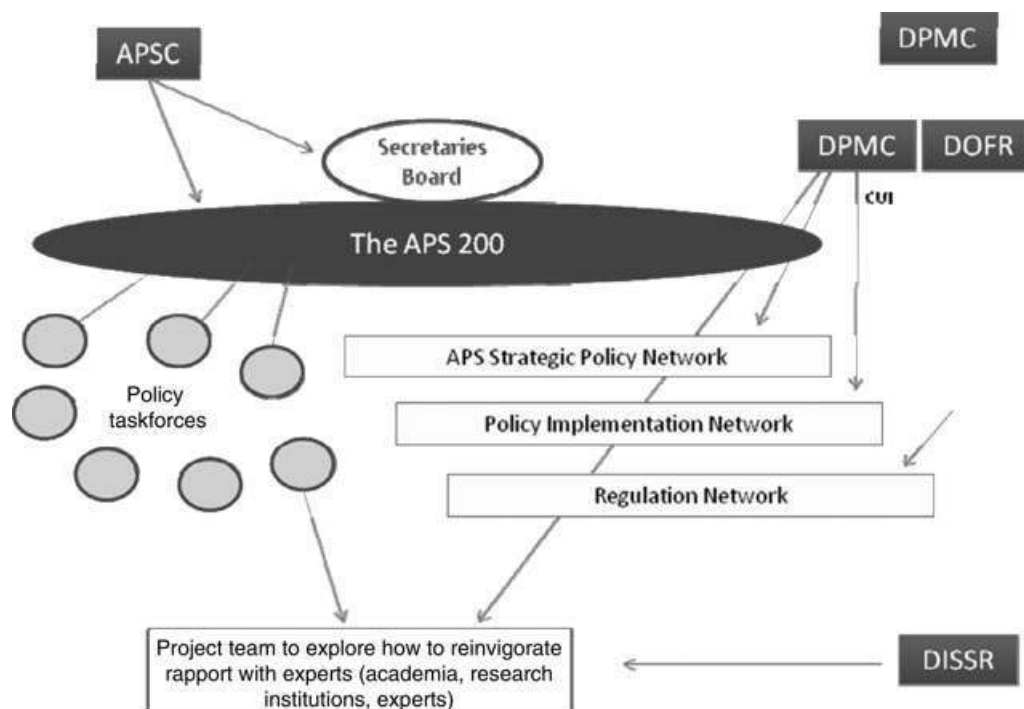
- Establishing a Secretaries Board, chaired by PMC secretary, and superseding the established Management Advisory Committee (p.49) – a broadening and modernisation of an existing institution to encompass policy capability and the recruitment and leadership development files. Recognising the pressures already on secretaries, and the need to develop the generation of top executive talent, the Blueprint proposes drawing a circle around and naming the ‘APS 200’ comprising executives below the Secretaries Board who will be the fulcrum for carrying out many of the reviews

and initiatives identified in the report, and presumably will be the focus of leadership development opportunities, including the imagined taskforces (p.49) (see Figure 2)

- While the idea of developing strategic policy hubs in each portfolio melted away, presumably because many departments believed they already possessed such capabilities and because many initiatives would span portfolios in any event, the Blueprint recommends cross-agency teams reporting to the Secretaries Board and overseen by APS 200. The Blueprint calls for development of an APS Strategic Policy Network – to promote the sharing of learning and increased expertise across taskforces, departments, and further down the SES administrative chain – along with assessing policy capacity as a key element of department and agency capability reviews (p.42).
- Complementing this focus on assembling expertise and learning about how to address policy challenges is another on implementation: an expanded mandate for the CIU to foster implementation and project management skills in departments and agencies,<sup>8</sup> some departments could develop Implementation Boards, and the CIU would develop and anchor a functional community Policy Implementation Network to share experience and perhaps even to set standards. Finally, the DOFD would convene a cross-portfolio Regulation Network (p.44) and, working with Treasury, would implement the Standard Business Reporting plans and then explore how to extend the Standard Business Reporting (SBR) logic to reduce reporting burdens in other parts of government (p.37).

No determination was made on which APS values should be retained and new ones identified, other than to indicate that a shorter list was strongly preferred; rather, it was determined that there should be more consultation and reflection.

The Blueprint recommended that the APS as an institution, and at the level of specific agencies, should build better relationships, more

**Figure 2.** Proposed APS Structural Changes

formal policy networks and partnerships with academic, think tank, community and private sector institutions for the purposes of research, testing ideas, and monitoring programs. The Blueprint made specific mention of the proposed China Centre and the National Security College at ANU, and a stronger relationship with ANZSOG and think tanks as examples of where these links could be strengthened (p.43).

The Blueprint was officially released on Monday, 29 March 2010, at a by-invitation event at Old Parliament House. The format was a dialogue facilitated by the Editor of the *Griffith Review* with Terry Moran as Chair of the Advisory Group, Ann Sherry (member of the Advisory Group and private sector representative) and Liza Carroll, Executive Coordinator, APS Reform, PMC, who coordinated the secretariat supporting the Advisory Group. Moran provided a summary of the essence of the report and the origins of the initiative, along with a question and answer period with the audience, a mix of executives, media, scholars, and other interested individuals, many of whom had made

submissions to the Advisory Group. Even more interesting was the release of the Remuneration Tribunal's first report in its review of the role and scope of Secretaries' responsibilities (Remuneration Tribunal 2010b). It is unclear as to whether this was a coordinated approach or if the Tribunal saw fit to ride the media wave generated by *Ahead of the Game*, but, given that its early findings portend a recommendation of compensation increases, this report had great potential to displace scarce media bandwidth on public service reform (Taylor 2010).

Comprehensive public service reform strategies always generate many questions, and the Blueprint sets out design and delivery targets in 28 significant areas (p.89). Each initiative is to bear fruit by the end of 2012, with virtually all of the design for the initiatives and supporting government legislation completed by the end 2010. A significant number summarised in Appendix 4 require government approval, likely complicated by policy initiatives and election-year posturing, and, at the time of writing (early May 2010) had yet to be announced. As lead

on the majority of initiatives, the APSC must also secure sufficient budget (which requires providing sufficiently worked out rationale) so it can rapidly build its capacity to move forward on specific projects and coordinate and monitor other projects across the APS. Even beyond the APSC, there are interesting questions about the sequencing of steps and building capability in a broad and multi-year reform agenda. The timeline of the implementation of guidelines is shown in Figure 3.

### **3. Assessing the Review: Perspectives on Comprehensive Reform**

The Moran Review is significant, if only because of the breadth of its remit. This section attempts to provide perspective by, on the one hand, tapping into my abiding interests in comprehensive policy innovations, public service reform, consultation and engagement strategies, emergent strategy and decision-making, research utilisation, and think tanks (Desveaux, Lindquist and Toner 1994; Mintzberg and Jorgensen 1987; Lindquist 2006b, 2000), and, on the other hand, using the standards of the Moran Review for evaluating the merits and gaps in the review process and its final report. Accordingly, the section proceeds by considering the Moran Review as: strategic choice about scope and process; evidence-based analysis and design; engagement and Government 2.0; performance and innovation; rhetoric and symbolism; and, finally, balancing competing values.

#### ***The Review as Strategy: Comprehensive Reform and Concerted***

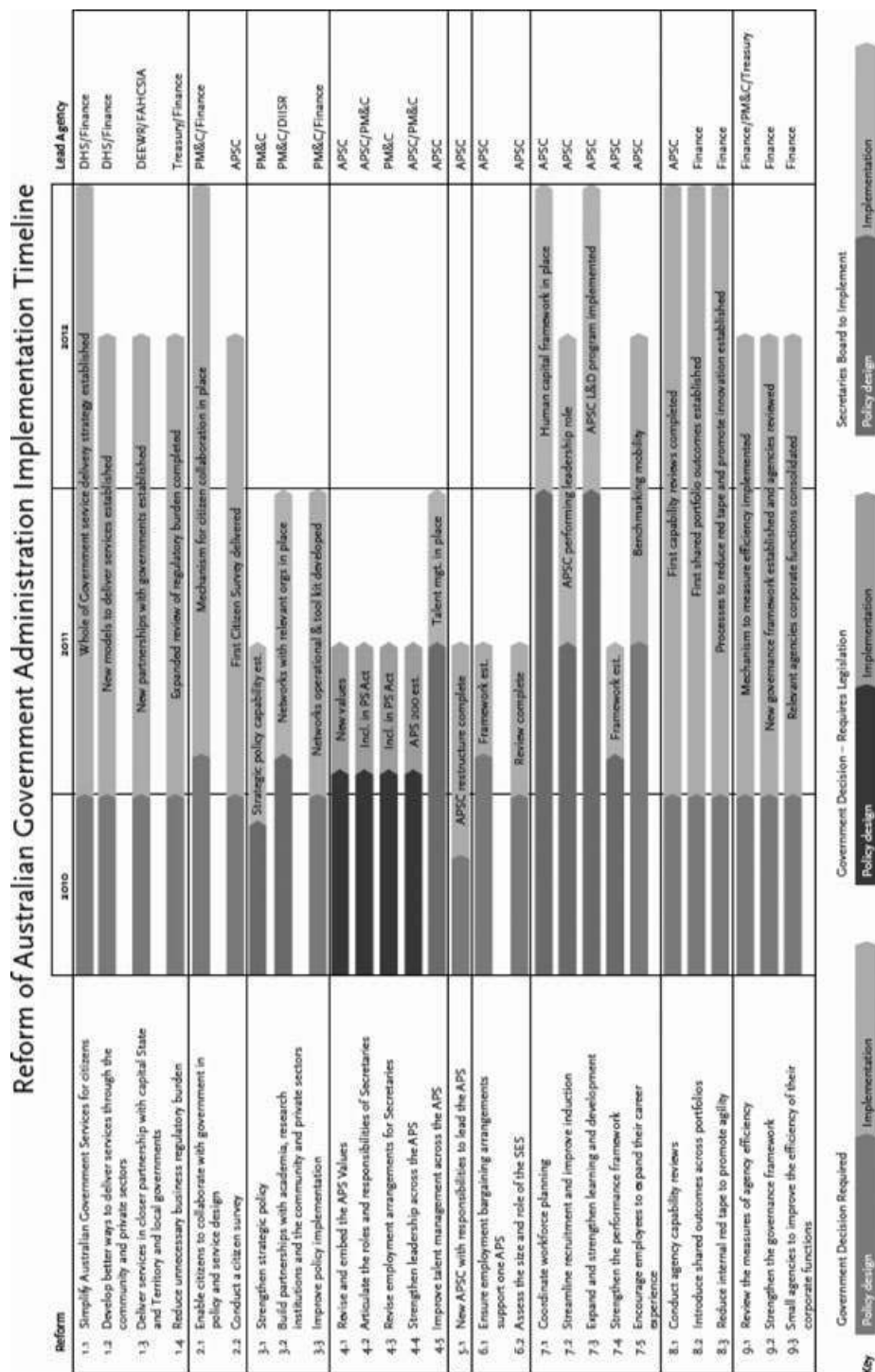
The Moran Review is best analysed as a comprehensive reform intervention. It is useful to consider why a comprehensive as opposed to a selective approach emerged and was warranted, and why the instrument of a time-limited taskforce was chosen as opposed to a royal commission, as well as the limitations of these strategic choices.

Several factors pointed towards a comprehensive approach. First, the APS had launched several initiatives on different facets of reform, and some, such as the whole-of-government

and one-APS initiatives under the auspices of the Management Advisory Committee, had not been grounded into the repertoires of the APS. Second, the more one scratched below the surface of these initiatives, the more it became clear that each one had implications for the others, and, indeed, could not be fully addressed without broader thinking about the authorities and administrative policies of central agencies. Third, there had not been a comprehensive review of the APS since the early 1980s, and even if the APS had become an exemplar of New Public Management approaches to administering public service institutions (Halligan 2003), arguably they had run their course insofar as a fit between its decentralised structure and the decision-making demands of the new governance environment in Australia. For these reasons alone, a comprehensive review was required for addressing a complex administrative challenge.

The interests of political and administrative leaders reinforced the recourse to a comprehensive intervention. The Rudd government had new perspectives and expectations, including its recent experience and disposition for large-scale interventions, and a sense of urgency that the aftermath of the global financial crisis portended rethinking and innovation on every front. And, the timing was right: it had developed a better sense of its own governance style, what it could expect from the APS, and was looking towards its second term of government. Under Moran, with a new mix of executives in the APS, many with state government and other experience, there were ideas about how the public service could change, particularly with respect to more integrated and flexible responses for meeting government needs. To the extent that such change was viewed as a wholesale matter, requiring an integrated approach, it would require the political stamp of the government, as well as internal and external endorsement. Moreover, Prime Minister Rudd did not shy away from and, arguably preferred, comprehensive perspectives and intervention to address complex challenges, particularly so if such administrative reform might meaningfully touch on all aspects of governance: designing policy, improving service delivery, and

Figure 3. Implementation Timeline for Reform of the Australian Government Administration



Source: AGRAGA 2010:79.



engaging citizens and key stakeholders. However, this confluence of interest was time-sensitive: if new directions were to be debated and set in motion, they would require endorsement before the next Commonwealth election, and this pointed to a time-limited but comprehensive review.

The gaps and limitations of comprehensive policy and administrative reform interventions are well-known (Lindblom 1959; Etzioni 1967; Schulman 1975, 1980; Desveaux, Lindquist and Toner 1994; Lindquist 2005). The pertinent issues are: inability to muster sufficient analytic expertise and design capability to meet the needs of decision-makers; inability of decision-makers to anticipate all aspects of complex challenges when choosing strategies and design; comprehensive interventions inevitably are open to greater interpretation and lead to increased politics inside and outside the institution; unless comprehensive reforms are purely symbolic and evanescent undertakings, greater effort and capacity are required to sustain momentum and implement announced reforms; and the coherence of large-scale reforms will soon be superseded by subsequent initiatives by current and successive governments, producing new challenges for sustaining coherence. *However, to the extent that top APS leaders knew the issues they wanted to address and the broad directions in which they wanted to move the APS, as well as had access to sufficient research and advice from other initiatives, ready access to best practices, and the goal of preparing a framework blueprint, they could proceed with a comprehensive approach with more confidence.*

Comprehensive strategies do not necessarily imply comprehensive interventions, nor do they necessarily imply significant research, analysis and consultation strategies (Lindquist 2005). Indeed, given the ambit of the envisioned reforms, the choice of the instrument for developing the Blueprint – a taskforce with short timelines – raised more than a few eyebrows. Several observers wondered why, in light of the ambitions of the review, a royal commission or more substantial review process was not chosen (Nethercote 2010). Many academics and public servants recalled that, in the past, governments

in many countries had responded to the need for comprehensive reviews and reform by establishing royal commissions which commissioned and reviewed research, produced substantial discussion papers, invited submissions, often issued mid-term reports, and undertook consultations in advance of making final recommendations. These limitations of the royal commission as advisory, research and consultative instruments are well-known inside and outside public service institutions (Prasser 2006). Indeed, commissions (as opposed to inquiries) have fallen into disfavour because of mandate creep, an inability to meet deadlines, and exceeding budget parameters. Governments often made significant decisions on key matters before commissions complete their work, essentially pre-empting emerging lines of evidence and advice. However, I believe that the real disappointment of observers concerns an important function of commissions: the drawing together of experienced and new talent from the public service, private sector, and universities to grapple with issues, learn about and assess international experience, and grapple with new ways to improve an important democratic institution. Such moments shape scholarly as well as public sector careers, and often affect and inform the trajectory of research inside and outside universities.

Proceeding with a concerted, time-limited approach produces real trade-offs with respect to the quality of research that can be undertaken, and the testing of ideas with interested observers. Indeed, when considering reform – especially comprehensive interventions – there is a need to acknowledge enduring issues and tensions in public administration and public sector governance that deserve, to locate current enthusiasms and future possibilities in historical context, and to get underneath rhetoric and announcements associated with best practices and models from other jurisdictions. At their best, royal commissions can address such informational needs. However, the half-lives of touted best practice, the length of time that reform windows remain open, as well as the time it takes to produce credible research, makes it difficult to justify launching substantial programs of applied research and thorough

consultation which are not likely to usefully feed back into advice within reasonable timeframes and meet the needs of commissions and governments.<sup>9</sup>

At the outset, it was not clear that the Moran Review was aiming for the high-level Blueprint that it eventually arrived at, that the Advisory Group had a solid appreciation of the need for careful and contextualised research, or that it was committed to systematic consultation and dialogue. The nature of the discussion paper and benchmarking report perplexed many observers. However, whether by design or discovery, the final Blueprint addressed these issues by *not* over-designing the intervention with uneven and incomplete information. Instead, the Advisory Group produced a high-level and integrated framework that key identified goals and linked them to pragmatic actions, proposed workable and internally consistent proposal for re-assigning and enhancing some authorities for the APSC and its Commissioner, engaged APS constituencies on the challenges and generated some enthusiasm for reform directions, and set out a menu of shorter term priorities on which to focus and from which to build momentum. To its credit, the Advisory Group acknowledged the longer timeframes required for designing, informing and anchoring the envisioned reforms, identified and bracketed the areas that could benefit from more detailed analysis and engagement, and proposed an oversight process that should keep the APS leadership feet to the reform fire. This is what Mintzberg and Jorgensen (1987) would characterise as moving forward with a balance between deliberate and emergent strategy.

### ***The Review as Evidence-Based Design***

The introduction to the Blueprint observes that ‘Each of the reforms has been developed through a careful analysis of feedback from consultations, as well as research into leading international and domestic public services and private businesses’ (p.32). Given that readers are not provided with summaries of the findings from consultation, nor an extended bibliography on various reforms considered by the Advisory Group (contrast the often extensive

references accompanying MAC reports), it is difficult to assess this assurance.

Outside the APS there was a negative reaction to the KPMG benchmarking study, and it is easy to see why. There was little or no analysis of the integrity, depth, validity and reliability of the indicators, nor of their relevance to this review – even the introduction to the study by its authors evinced significant caution. It did not provide a fine-grained analysis of what the indicators and findings might have really measured and mean. It gave considerable credence to rankings by other organisations, and sometimes emulating the best practices approach of the OECD, offered virtually no context or analysis. As the only research product issued under the auspices of the Advisory Group, with its early findings informing the Rudd and Moran speeches leading up to and supporting the review, its publication unintentionally and misleadingly sent poor signals about what the Advisory Group thought constituted evidence and research, and created an credibility issue in the media and elsewhere early on about the Review.<sup>10</sup>

This was unfortunate because the prime minister, the PMC secretary, and the Advisory Group had relied, directly or indirectly, on a considerable body of data, research, and suggestions that had built up over several years about the evolution of the APS and its challenges, international developments, and possible directions for reform. In addition to other recent taskforces and reviews undertaken by or under the auspices of the APS, perhaps the most intriguing and comprehensive monitoring of developments and issues came from the most recent seven of the APSC *State of the Service* reports (from 2003 to 2009). Not only did these reports report on survey data collected by the APSC from agencies and staff, they closely reviewed and integrated a series of well-documented reports from the Management Advisory Committee (MAC 2001, 2003, 2004, 2005a, 2007) on organisational renewal, whole-of-government, reducing red tape, a unified APS through the SES, etc. These reports led to the insertion of new questions into future staff and agency surveys, fuelling future reporting and assessment. The *State of the Service*

reports also noted and used the findings from public inquiries<sup>11</sup> and key taskforces on a variety of issues, ranging from information technology management (technology and strategic human resource issues) to staff conduct, to inform how it drew on and interpreted survey data and shaped future surveys. The *State of the Service* reports show continuing interest in several themes such as staff mobility, organisational renewal, work flexibility, workforce planning, citizen and community engagement, e-government, adherence to APS values, and leadership effectiveness and development. The APSC also closely monitored emerging international practice and summaries of reports from international agencies and other governments on key issues. Over time reporting of these issues would be grouped under different broad themes.

From the reports and other sources of information on international developments – including a variety of IPAA and ANZSOG roundtables, conferences and publications<sup>12</sup> – a set of issues and broad strategic directions for addressing them had coalesced before the Rudd government arrived. To the extent that the *State of the Service* reports levered and used MAC reports – reviewed and endorsed by participating secretaries – to shape future data collection and assessment, there had emerged a shared sense of findings and strategic challenges. For example, it was understood that SES staff increasingly had less external and other-agency experience, 60% of the SES identified more with their agencies than the APS, more jurisdictions were taking systematic and cross-public service approaches to measuring citizen satisfaction, there was increasing disparity in compensation for similar work across agencies, the need for more whole-of-government perspectives and capabilities was increasingly widely recognised, and increasingly agencies were grappling with recruitment, retention, and skills gap issues. The APS values were generally viewed as being sufficiently well-known among APS staff and adhered to. However, as the research utilisation and agenda-setting literature predicts, a consensus can emerge over many years among experts, leaders, and advocates on what constitute key issues and workable directions for re-

form (Weiss 1977, 1980), but for policy change to occur requires a precipitating event, decision windows to open, shrewd advocates, and sufficient energy to overcome existing repertoires and inertia (Kingdon 1995).

Here, the arrival of a new prime minister and PMC secretary, each with their own motivations and perspectives on the APS, along with the urgency and aftermath of the global financial crisis, led to action. Interestingly, some matters the APSC had been monitoring took a turn for the worse after the April 2008 speech to the SES by the prime minister (Rudd 2008). These included a further increasing of identification of SES staff with agencies as opposed to the APS, perceptions of staff that top executives were not as receptive to innovation, even more countries were systematically using surveys to measure citizen satisfaction across agencies, and a significant number of agencies did not have strategic workforce plans or succession or talent management strategies, a surprise given that recruitment and retention challenges had grown in urgency and scope.

By 2008, even without the arrival of the Rudd government, there was a broadening constituency for developing a stronger central capability to drive strategic human resource development and whole-of-government initiatives on several fronts to departments and agencies in the APS. But Rudd and Moran added their special focus on whether policy advice was sufficiently high quality and forward-looking, raising the profile of adopting citizen orientation in service delivery and policy design, calling for increased innovation in the public sector, use of Web 2.0 technology, and modernising the APS values. Many of these themes had previously been taken up in the *State of the Service* and MAC reports, but the strong interest of Rudd and Moran led the APSC to modify and intensify language, and regroup key categories, in the 2007-08 and 2008-09 *State of the Service* reports, demonstrating that the APSC and the APS had heard the message and possessed reinforcing evidence. One of the most interesting aspects of all of this reporting was the way in which the APSC, despite monitoring and drawing attention to these

issues, *never* argued for strong central intervention or an increase in its own authorities and capabilities for pursuing them.

In short, before the arrival of the Rudd government, a considerable amount of research, problem and issues identification, and ideas for moving forward were readily available. Against this backdrop, the prime minister and his new PMC secretary probably surmised that the focus of a review of the Australian Public Service was to identify a workable strategy, a concrete set of initiatives among many available for consideration, and specific capabilities for moving forward. Where evidence was concerned, the Moran Review provided an opportunity for gathering, sifting and focusing existing data and research. That said, there was a depressing lack of analysis and testing of the ideas and evidence on the table, of exploring the extent to which conceptualisations of issues and the chain of reasoning in support of certain initiatives stood up to scrutiny. Consider just four brief examples:

- *Unifying the APS.* The notion of unified public service is advanced in several ways: one that in even decentralised form shares similar values across departments and agencies; the SES and perhaps feeder groups sharing similar values and identification with the APS as opposed to their own agencies; an APS with shared classification categories and compensation; and an APS with a single employer. Aside from this conceptual confusion, there are analytic questions that should have been posed and argued: Will a more standardised classification and compensation system lead to more innovation, better performance, and lower costs? Can such a system lead to fairer pay in light of different demands and workloads in different agencies? Under a new system, will agencies simply adopt a different array of positions? Is the proliferation of SES positions out of step of other jurisdictions? How much of this is due to the changing nature of work and/or the boomers moving through the system? How will a new system deal with the real challenges of recruitment and re-

tention in a competitive labour market, particularly if the APS follows through with moving more positions outside the ACT? How will this square with broad-banding?

- *Encouraging mobility.* Aside from appealing to the idea that more mobility is a good thing for aspiring leaders and the APS as a whole, there is little sense of what might constitute optimal patterns of mobility, what the trade-offs and costs would be, and what the limits or boundaries to increasing mobility might be. Various *State of the Service* reports show there is considerable mobility under the current system of incentives and constraints, and executives rotating in from outside the APS have insufficient experience (but they are mobile), and the latter is bound to be the same for the next generations of leaders in feeder groups, who will have less time to acquire experience before taking up top leadership positions. Is the goal to increase mobility at certain levels, occupational categories or agencies by some increment (say, by 20%), at particular stages of career development, or as a percentage of promising leaders in different cohorts? Can too much horizontal rotation in the feeder and SES levels diminish the grooming of strong managers in agencies? It is already clear that the perceptions of SES leadership by staff lower in agencies are not as strong as the APSC would like to see, but more mobility will not help. How can this be squared with intentions to have top executives stay in positions for longer periods of time?
- *Increasing policy capability.* Increasing the number of APS staff who can undertake high quality policy analysis, the amount and quality of data at their disposal, and their access to experts from other governments, universities and sectors is a highly desirable goal. However, no workforce data was provided on the size of the policy functional community, where the greatest gaps were across the APS, and whether universities and other institutions were generating the kind of expertise to deal with emerging and future challenges. While the notion of

strategic policy hubs was intriguing, no options were tabled about how these hubs would intersect with central and agency policy units, whether they would be time-bound or quasi-permanent, how many might materialise across the APS, and how many staff might be required. More interestingly, there was little discussion of how independent – in the sense of undertaking more forward-looking and speculative research and analysis on emerging challenges – such hubs could be, particularly given the experience of other countries like Canada. Finally, given that these entities were to engage experts, other governments and sectors, and citizens, some analysis should have been tabled on how such capabilities might intersect with Council of Australian Governments (COAG) and similar processes.

- *Citizen engagement.* There many assertions about the benefits of engagement, but the call for more engagement implied insufficient engagement in the past. But was this implication and conclusion reasonable? First, there was no probing of the Commonwealth's track record on engagement, where there had been successful and less successful efforts, and whether policies that had been developed without any engagement which had failed. Second, even if there was demonstrably insufficient engagement, and more needed to deal with future challenges, no effort was made to probe why previous governments might not have done more: What were the perceptions of the value of public input in the APS, the risks, the costs and timeframes for different consultation instruments? Third, there was no assessment of the effectiveness of various forms of public input, engagement and deliberation over the last 10 or 20 years. Fourth, would certain forms of engagement work in certain jurisdictions and not others, with respect to scale, nature of issues, political culture, and related factors. And, there was no analysis of the extent to which information technology increases the accessibility of a representative cross-section of

citizens when dealing with specific policy and service delivery issues, the extent of their willingness to participate and, when they do, how well-informed and valuable the advice.<sup>13</sup>

Generally, then, little analysis accompanied the ideas and proposals put on the table by the Advisory Group and for those who responded to the call for submissions and dialogue to consider. Even if there was a larger corpus of government and other studies available, there was little analysis of their salience and lessons. There was no use of counterfactuals, analysis of trade-offs, and testing of ideas under different scenarios. In many instances, it is easy to imagine initiatives producing different than intended results. The review proceeded with pre-formulated notions of issues and solutions on several fronts, and, as discussed in further detail below, little effort was made to test them with staff and outsiders in a meaningful and informed manner.

This is not an argument, of course, for exhaustive studies in the context of a concerted review: much could have been achieved with short, analytic discussion notes relying on existing data and research. An initiative calling for high-quality policy analysis should have modelled greater commitment in this regard, and presumably this will be remedied in the future as various strands of the Blueprint requiring additional research, analysis, and engagement proceeds.

## ***The Review as Engagement and Government 2.0***

Engaging citizens and experts outside government to develop new approaches for addressing policy and service delivery issues was a dominant theme throughout the Moran Review. Earlier we noted the Advisory Group hosted online submissions and dialogue forums during October 2009, organised six forums with public servants, contacted some senior Australian and international experts, secured advice from the internal reference group, relied on expertise and experience around the Advisory Group table, and undoubtedly monitored commentary in

the media. What can we learn from the Moran Review about doing better in this regard, since developing a blueprint for APS public service reform is essentially developing *policy* for management (Barzelay 2001)?

The RAGA consultations constituted a modest exercise in public consultation and staff and expert engagement, even for the tight timeframes. Even though the consultations may have yielded useful feedback and intelligence for the Advisory Group, it is important to be clear about their scope and limitations.<sup>14</sup> Few details were made available about the consultations, so the observations below are based only on publicly available information, but are meant to elicit further reflection and debate:

- *Traditional submissions.* The online submissions did not differ from traditional submissions, other than that they could be posted almost immediately and were available for others to review. As noted earlier, there was considerable balance in the sources of submissions, but great diversity in the issues brought forward and the sophistication of the contributions. There was no effort to provide a roll-up and summary of these submissions, nor a sense of whether they were generally supportive of different ideas tabled in the discussion paper or identified new themes to address.
- *Online dialogue.* The online forums relied on successive rounds of dialogue that addressed selected questions from the discussion paper. On the one hand, they did engage outsiders (although the vast majority were APS staff!) and were transparent. On the other hand, the forums were passive: they were not moderated (to the extent that there was facilitation, it was done by self-appointed outsiders), and opportunities were missed to further explore issues and access additional information. Posters could not even insert links to other web sites for informational purposes! This combination of primitive online technology and no moderation meant that the postings could not be organised into more productive discussion threads,

summarised and moved along on a daily basis, nor were summaries of key insights and observations provided at the end forum. More effort in design and process could have led to much higher informational yields. The vast majority of the commentary came from APS staff, which meant that, with the exception of the handful of traditional submissions to the PMC site, there was surprisingly little citizen input to the forums.

- *APS forums and internal reference group.* It is not possible to venture views on how the internal dialogue sessions with APS staff and the internal reference group worked since there has been no reporting on high-level themes emerging from those sessions (which would be standard engagement reporting practice). However, it seemed clear at the 30 March release of the Blueprint that RAGA staff were pleased and excited about the feedback received from those sessions.
- *Australian and international experts.* Likewise, it is not possible to assess the completeness and appropriateness of these consultations. No list of names or the institutions that were contacted have been publicly provided – a standard consultation and engagement practice. Several authorities in certain areas covered by the Moran Review were not contacted at all, others contacted the secretariat to supply information, and many others, I think, presumed that there would be some additional forums for this purpose.

There were sceptical and sometimes acerbic comments in the media and some submissions, and a bewildering array of perspectives and issues identified in the submissions and online dialogue from diverse quarters. However, there was surprisingly little dispute about the challenges identified by the Advisory Group, the comprehensive approach it advocated, and giving more authority and clout to the APSC (Lindquist 2010b).

Generally, the consultations did seem to inform and influence the Advisory Group's thinking, and, as noted elsewhere in this article, some

good progress and genuinely interesting strategic approaches emerged in the Blueprint. Moreover, the Advisory Group and its staff were themselves enthused by the feedback, energy and ideas that emerged from the APS forums in particular.

Recognising the time constraints, there were nevertheless some important gaps in the consultation strategy. Several practices could have moved the consultations more in the direction of engagement at relatively little cost and yielded better insight. These deficiencies are as follows:

- *Insufficient reporting back on consultations.* As can be construed from the observations above, the Moran Review did not report back on what was learned from the public (the online submissions and forums) and the more intimate consultations (the APS forums, the internal reference group, and discussions with selected experts). Indeed, detailed roll-ups of what was learned from each strand of consultation had to have been prepared by staff for the Advisory Group to consider, and summary versions of these roll-ups could have easily been distilled for public consumption. Good consultation practice recommends this important step (Lindquist 1994): it acknowledges the contributions and time of participants, shares publicly-funded information, demonstrates how advisors and decision-makers learned from the process, and shows outside observers the kind of issues that decision-makers had to balance, which eventually should lead to better contributions in future consultations on similar topics. Surmising what the Advisory Group learned, through reviewing this information and its own internal dialogue, can be inferred by comparing the discussion paper and final Blueprint, but it is long-standing best practice to meet interested publics and contributors to consultations more than half way.
- *Limited availability of information.* The thinking of the government and the Advisory Group were informed by several previous, recently completed or ongoing reviews, as well as to OCED and other reports. The speeches and the discussion paper referred, sometimes only in passing, to associated documents. However, the RAGA web site provided no links to this information. Indeed, the web site – aside from hosting the discussion paper, benchmarking study, submissions, and the online forums – contained no other information, not even direct links to the speeches by the prime minister and Secretary Moran. Interested observers had to locate the information at other parts of the PMC web site, different parts of the APSC web site, and other APS departments, let alone securing offshore reports. The result was that contributors were less likely to have access to this information when preparing to make submissions and postings to forums, and those that did were likely to advocate for the selective areas on which they knew a bit. Similarly, relevant publications, including papers and remarks by practitioners, scholar, and other experts could have been uploaded directly or linked to the RAGA web site. Arrangements could have been made with the OECD and other publishers to provide summaries of reports, and reports and links could have been given to key best practice examples identified in the discussion paper. Making this happen could have easily been done using SharePoint and other web technologies.
- *Little engagement of external experts.* The Advisory Group did not systematically reach out to external experts, even though some overtures were made (unlike most engagement initiatives, no list of experts consulted was released).<sup>15</sup> Rather, its approach on this front was passive: it was largely left to individual scholars, research centres, and firms to choose whether to submit briefs or directly contact the Advisory Group. For scholars and other experts, most of the discussion paper questions were so general that, they read more like comprehensive examination questions – lengthy submissions could have been made, but the early strategic focus of the Advisory Group were unclear. This was

a missed opportunity: the applied public administration scholars inside and outside Australia are very strategic, and at the very least for incremental costs, could have been utilised to vet and test some of the emerging ideas and trade-offs identified by the Advisory Group, the state of the literature on key issues, provided internationally informed advice and context into the process, and raised the game of others who contributed submissions. Two or three forums should have been held with scholars and experts adept at providing applied, contextualised and strategic advice. Participants who could have been invited might have included scholars from applied public administration and policy programs, as well as colleagues with relevant expertise from cognate disciplines and professional schools, and mixed with top executives and other experts to address specific strategic issues. An opportunity was also lost to draw a new generation of scholars towards public management issues.

The quality of citizen and expert engagement depends on the time available, the quality of the information supplied, the purpose of the consultation, and the focus of questions on the table. While the Moran Review had some shortcomings as an engagement process, this has to be weighed against its relatively modest goals of securing internal and external support for broad strategic directions and realigned authorities (as opposed to working through and mapping out the details of a comprehensive reform initiative) and the relatively short time for producing the Blueprint. As is discussed later, if the government and the APS want to raise their game with respect to policy and service delivery initiatives and step firmly into the Government 2.0 and citizen/expert engagement worlds, these shortcomings can easily be addressed when implementing the Blueprint agenda.

### ***The Review as Performance and Innovation***

The Moran Review placed great stock on innovation and performance as important standards

against which to assess modern public service institutions. To what extent did the Moran Review live up to these standards? In what follows we first take up the question of fidelity to different notions of performance, and then consider whether the Moran Review and the Blueprint can be thought of as innovative in international terms.

Where performance is concerned, the Moran Review achieved its goal of delivering a Blueprint for consideration by the Rudd government by early 2010. While there may be some disquiet about the discussion paper, the benchmarking study, and the attenuated engagement strategy and spotty analysis, a credible and coherent blueprint emerged. Indeed, arguably the Advisory Group should receive an award for 'undertaking the most comprehensive public service review and producing a blueprint in the shortest time'! Although it is not yet certain whether the government will adopt most of the recommendations, but presuming so, the Blueprint articulates an aggressive high-level implementation schedule, one that should ensure that the Rudd government and the APS can launch key initiatives but allows for flexibility in the precise design and volume of those initiatives and not a slavish effort to hold leaders to account for the details of a design that has yet to be fully elaborated. As noted earlier, the theme of performance permeates the action plan, with respect to capability reviews, secretary accountabilities and reviews, the new powers and responsibilities to the APSC and its Commissioner to move this part of the agenda forward, adoption of citizen surveys about service quality, as well as the oversight of the Secretaries Board of the strategic policy taskforces.

Evaluating whether the Blueprint qualifies as innovative is an interesting task. Many of the ideas that animated the Moran Review were well-known in the literature and the focus of government interventions around the world: citizen-focused service delivery, better quality policy advice, fostering leadership and coherence in the executive ranks, strategic public-service-wide workforce planning regime, improved performance measurement, and more. Indeed, some like collaborative policy design



and service delivery, citizen engagement, and securing efficiencies are hardly new: their origins can be traced back at least 20 years as part of the complementary alternative service delivery and New Public Management reform movements, and the notion of securing efficiencies is more than 100 years old.

The prime minister, Secretary Moran, the Advisory Group, the APSC, and many others have continuously scanned and monitored other jurisdictions for intriguing practices: from the UK came strategic policy hubs, capability reviews, implementation challenge function from the centre; from New Zealand has been the example of the strong State Services Commission with authorities for strategic human resource management as well as evaluating and nominating secretaries; from Canada there were the Citizens First, Common Measurement Tool, and Management Accountability Framework initiatives, as well as an external advisory board to monitor public service reform;<sup>16</sup> and, with respect to encouraging service delivery pilots and innovation from a citizen perspective there were the examples of Denmark (Mindlab) and Singapore (The Enterprise Challenge),<sup>17</sup> although it should be acknowledged that pilot projects and taskforces have previously been used extensively in Australia and elsewhere. To the extent that Australian political and public service leaders have been aware – or only just discovered – many of these practices, then the Blueprint could be seen as playing catch-up or a smart game of monitoring ‘early adopters’ for innovations that prove their worth. As the Australian government adopts workable variants of these innovations, it will have proceeded in time-honoured way to modernise its public service.<sup>18</sup>

The search for a new encompassing framework to guide public service reform is not out of step with thinking in other jurisdictions and the scholarly literature. There has been considerable interest in identifying a new integrating framework to go beyond the New Public Management to guide the next wave of reforms (Christensen and Laegreid 2007; Bourgon 2008; Lindquist 2009a), for which Australia was an exemplar for this approach, in part because of its incremental, steady ap-

proach. Although no new overarching label or acronym has emerged, the contenders include integrated governance, joined-up and whole-of-government, collaborative governance, e-government, Government 2.0, the ‘New Synthesis’, and undoubtedly others. The irony, though, is that many of these contenders gather up many of the themes embraced by the New Public Management family of ideas and tap into notions of citizen engagement and collaboration that have existed for three or more decades – the twist and the excitement, it would appear, derives from the possibilities afforded by new technologies to give new means for ensuring integration, performance, engagement, and sharing of information. The Blueprint, then, can be seen as part of this drawing together of many familiar themes into newer integrated approaches, in step with leading international thinking.

Innovation may have less to do with whether one or more initiatives are genuine inventions, and more about the starting point, setting out and implementing what others have only talked about, but failed to accomplish in a convincing way, and striking a distinct balance unique to a particular jurisdiction, with reforms continuing to evolve in interesting ways. Here we consider two features of the APS that Australians take for granted, but external observers would see as unique. First, despite the political concentration of power under Australia’s Westminster system of governance, the APS has become a significantly decentralised institution: its departments and agencies have status as separate employers and relatively few corporate services are shared. Second, the organisation of the ‘centre’ with respect to strategic human resource management, and the particular capabilities of the Australian Public Service Commission, has been remarkably thin with it serving mainly as a monitoring, data collection, and appeals agency. In a sense, the innovation *is* the starting point: the government and APS have close to a blank slate in developing new central capabilities for strategic human resource management, and will be building a new APSC institution. This could provide an opportunity for fresh thinking, new tools, and better systems, but the APSC will have to build credibility with

departments and agencies accustomed to considerable operational autonomy.

Finally, several aspects of the Moran Review and its Blueprint hold promise of being considered innovative in the years to come. First, there is the decision to adopt a comprehensive, multi-faceted approach to public service reform without relying on an extensive review process and leaving room for emergent strategy development (Mintzberg and Jorgensen 1987), which may come to be seen as a 'smart practice' for other jurisdictions under the right conditions (Campbell 2006). Second, the idea of re-profiling the Management Advisory Committee into a Secretaries Board and broadening its mandate beyond management issues to oversee the APS 200 SES-3 group and proposed policy taskforces – all part of a larger leadership development and innovation strategy – is a potentially elegant innovation which may succeed. Finally, the ambition of systematically informing policy development and service delivery with input from front-line staff, citizens, other governments, and experts from other sectors (universities, private sector, think tanks, and community organisations) across an entire public service seems daunting, but if this can be achieved in a credible and inclusive way, it will be surely viewed as distinctive and innovative. As will be discussed below, achieving this goal may need to rely on an elaboration of the ANZSOG model, already an innovation by international standards, in order to take up the challenge of better linking programs of action-oriented research to policy development and other challenges.

### *The Review as Rhetoric and Symbolism*

In reviewing the speeches and discussion paper it is difficult to ignore the extent to which rhetoric was utilised and laid the groundwork for the Moran Review, particularly by the prime minister. From the discussion paper's theme (*Being the World's Best Public Service*), to the title of the review (Review of Australian Government Administration),<sup>19</sup> reveal no shortage of ambition and rhetorical license. But even the fundamental reforms, after they are announced, soon dissolve into a series of parallel and

more incremental initiatives, eventually superseded by new reforms and almost certainly destined to be outshined by substantive policy and service delivery challenges. Media observers and scholars will feast on inconsistencies, oversights, and contradictions in significant initiatives and, eventually, implementation gaps. *Indeed, as the scope and complexity of reform increases, there is even more opportunity for tensions and contradictions surrounding the objectives and means of reform, as well as poor performance or implementation.* In the case of the Moran Review, ambitious goals and rhetoric were invoked by experienced political and executive leaders, well aware of the difficulties and pitfalls of heightening expectations, and deserves further consideration.

The use of rhetoric was an important element of a deliberate strategy to secure sufficient support for comprehensive change in the face of complexity, rapidly evolving environments, and tough competition for scarce time and resources. There is insufficient recognition that rhetorical strategies seek to demonstrate and elicit support for significant change, however evanescent the public's attention, and to provide context and perspective on the need for the reforms, as well as coherence and integration of variously related initiatives. Consider this: if citizens are rarely seized by public sector reform, if politicians are likely to gain only passing credit for public sector reform, if finding evidence and demonstrating impacts is inherently difficult, and if political or senior officials understand previous experience with fundamental reform, but believe reform is necessary, then momentum must be generated, and the endorsement and concurrence of key internal and external stakeholders demonstrated. In this context, invoking rhetoric is an important strategy, particularly when resources have yet to be allocated. It does lead to paradoxes and contradictions, and easily identifiable gaps between rhetoric and reality, but this comes as no surprise under such circumstances, and particularly with comprehensive reforms.<sup>20</sup>

Throughout the Moran Review process, however, one could discern lessening reliance on rhetoric. The early speeches by Rudd were

forward-looking, ambitious, and had a keen sense of history; the Moran speeches were pragmatic, uncompromising, and steady, but had a clear focus on APS setting as its goal 'world's best'. These constituted important symbolic moments that were used to send key signals. The commissioning and use of the benchmarking study, whatever the perceptions of its quality and whether it a useful point of departure for dialogue and debate, was highly symbolic and consistent with the early rhetoric of the prime minister: it was intended to send a strong message about the need to strive for excellence by international standards, to use evidence when developing policy, and to indicate that performance would be monitored.

Once the Advisory Group took over, there were fewer rhetorical flourishes even as they continued to work with the broad framework and problem definition, perhaps realising that it was important to become pragmatic and demonstrate some autonomy from the government of the day. This is not unusual: most public service reform initiatives in countries like Canada are owned and managed by the public service. Maintaining status an independent, expert and competent institution – one that serves different governments – requires demonstrating the ability to self-diagnose, learn, and self-reform. Even though the approval and endorsement of sitting governments is necessary, such reform initiatives tend to be lower key and preferably less connected to the government of the day.

It is not surprising, then, that the Blueprint contains less in the way of rhetoric, but works hard to demonstrate widespread public service, scholarly, and other external support for the initiative. The Blueprint, though comprehensive in scope, seems pragmatic, operational, comprehensible, and geared more towards an internal public service audience. Its real goal is to bolster the argument for securing necessary administrative authority and budgetary resources to support front-end changes and quickly build momentum, and to elicit the voluntary engagement and energy of the SES. As drafted, the Blueprint should also serve as a useful touchstone and performance management

framework for several years forward, one that allows for evolution and emergence in the precise instruments and institutions for achieving and balance several enduring goals.

### ***The Review as Advocating and Balancing Competing Values***

The first section of this article demonstrated that advocates for reform have a long list of worthy aspirational goals and values for the APS to respectively achieve and inculcate: all are *good* things (except, apparently, a decentralised public service)! For many observers, this list might seem either unachievable or inviting significant trade-offs as a priorities in a resource-constrained environment. Figure 4 identifies several potentially contending ideas from the Moran Review as couplets.

These couplets, of course, do not exhaust the possibilities for tensions and trade-offs among the larger list of goals and values. For example, Mulgan (2010) noted the potential trade-off between citizen focus and top-down accountability to governments, when the latter tends to trump other accountabilities. Interestingly, in his Dunstan Oration, Terry Moran drew on Michael Porter's work on strategy to argue that a good policy strategy inevitably requires identifying the difficult trade-offs and choosing among them (Moran 2009c).

The challenge of identifying and balancing desirable organisational goals and values is well recognised in the leadership and management literature. To gain some perspective on what the Blueprint has accomplished, it helps to turn to the work of Quinn and several of his colleagues. Quinn (1988) wrote an insightful book entitled *Beyond Rational Management: Mastering the Paradoxes and Competing Demands of High Performance*. There he argued that top executives have the ability to navigate competing and sometimes contradictory values in order to ensure that the organisation could realise its potential.<sup>21</sup> The 'competing values' framework he developed and elaborated with others revolved around four distinct traditions in leadership and organisational analysis: fostering *clan or collaborative culture*, with a focus

**Figure 4.** Some Competing Values in the Moran Review

Policy development	vs.	service delivery
Responding to government priorities	vs.	responding to citizen demands
Ensuring effectiveness	vs.	securing efficiency
Building internal capacity	vs.	tapping outside expertise
Horizontally-focused SES	vs.	organisation-focused executives
Innovation/flexibility focus	vs.	implementation/accountability focus
High-quality workplace	vs.	performance orientation
Collaborating across APS entities	vs.	collaborating with other governments/sectors
Increasing central agency capability	vs.	department/agency capability
Government 2.0 precepts	vs.	Westminster governance norms
Inspirational 'stretch' goals	vs.	pragmatic 'doable' orientation

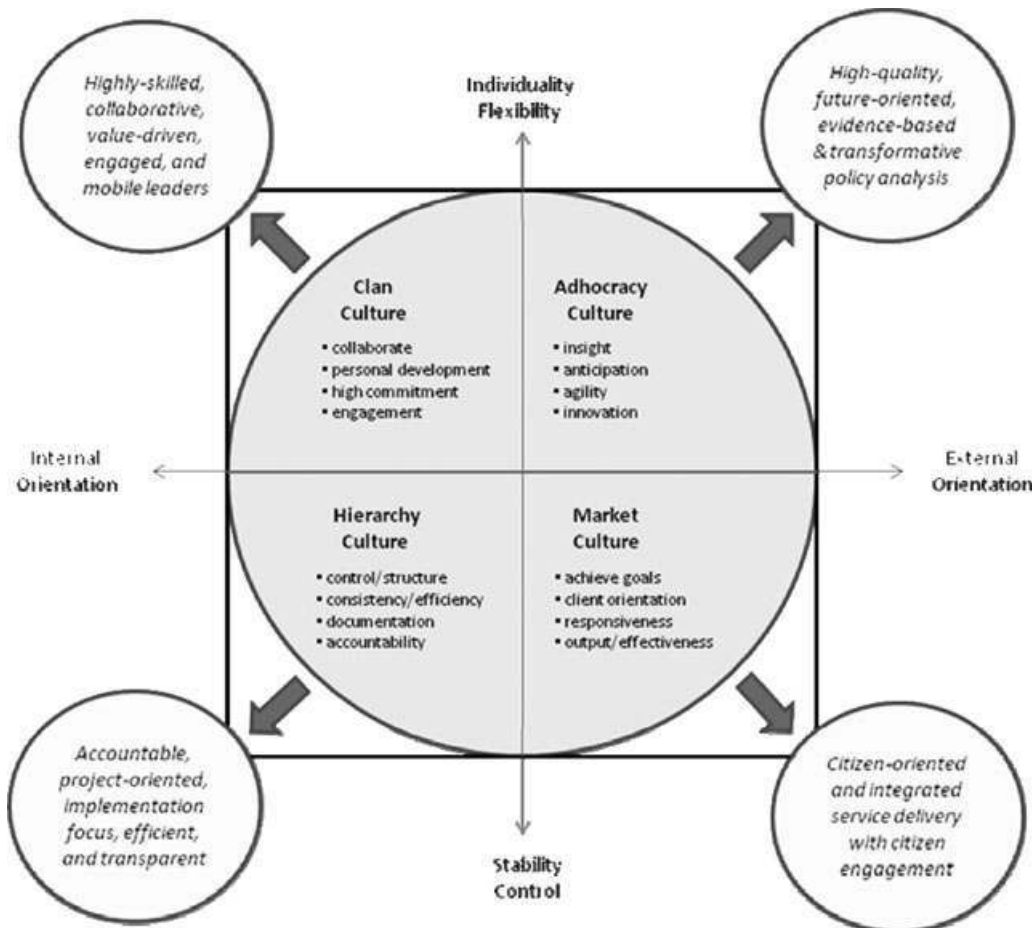
on employee engagement; *managing hierarchy or control culture*, emphasising efficiency, routines, rules, and systems; developing a *market or competitive culture*, with a focus on achieving goals and meeting customer needs; and *adhocracy or creative culture*, monitoring evolving environments, identifying new opportunities, and seeking innovation. Each tradition has differing clusters of values, styles of leadership, cultures, notions of effectiveness, and a variety of leadership and management competencies (Cameron and Quinn 2006; Cameron et al. 2006), and they vary along two dimensions: having an inward focus versus an outward orientation, and having a drive towards stability versus embracing change.

There are several key insights from this approach: first, all of these values and competencies can and should be found in all organisations, but high performing organisations have to achieve unique and evolving balances at different points of time that do not require *fully* trading-off those values; second, the apparent tension between the opposite traditions – clan vs. market cultures, and hierarchy vs. adhocracy cultures, can be sources of insight; and, third and related, transformative leaders reject trade-offs, confront duality, and begin to see

new balances and sometimes innovation from them (Quinn 2004). The leadership lesson is that the best executives are Janus-like: they can see diametrically opposed values and approaches at play, and identify possibilities by recognising multiple levels of analysis and by sequencing concrete actions (Cameron et al. 2006:53).

There is not the space here to delve into the full implications of the Competing Values Framework (CVF) for the Moran Review process and Blueprint or to work through how it could be adapted and fully applied for analysing public service institutions.<sup>22</sup> However, Figure 5 provides a start and illuminates some challenges the Advisory Group had to grapple with. It may seem audacious, but I would argue that the APS 200 and next generation of APS leaders should work to grasp the implicit theory underpinning the creativity in the Blueprint's design, which will also be at play for successful implementation and monitoring – not all of the intriguing proposals have emerged simply from sifting best practices and adopting a pragmatic posture.

At the most basic level the chart, superimposed on the CVF, shows several streams of public management values and reform

**Figure 5.** The APS Blueprint and the Competing Values Framework

orientations addressed in the Moran Review: improving service quality and addressing citizen needs, providing responsive and forward-looking policy advice, increasing staff engagement and capability, and ensuring control/efficiency. For some observers such breadth in coverage demonstrates a lack of focus, but for others it is a welcome, encompassing perspective. From this latter perspective, the Blueprint's final framework is important: it is a remarkable device to show the SES and entire APS how all of the worthy and contending values relate to each other. The Blueprint framework shows that it is impossible to talk about one aspect of public service reform without directly or indirectly implying the others. It provides perspective on why and how a new

generation of leaders might get trained and developed: yes, focus on improving skill in areas of responsibility and broaden them over time, but ensure they are increasingly comfortable with a Janus approach to seeing and working with public service values and challenges. Finally, a competing values perspective accounts for the diverse and sometimes strong reactions to the Review from inside and outside the APS since public servants and observers align with different value clusters and accompanying diagnoses.

If the Blueprint provides a shared picture of the whole terrain for public service reform, and works at several levels of analysis (values, leadership, culture, capabilities, etc), does this mean that difficult strategic choices have

been avoided because ‘no value has been left behind’? The short answer is ‘no’. The longer answer is that balances will get struck among the values in different ways over time by means of the programs giving expression to them. This is where the distinctive nature of the Australian government’s wrestling with the next wave of public management reform will be realised. And, early on, the Blueprint is showing where such choices will get made:

- It identifies priorities for investment in the first few months, allocates responsibilities to certain agencies, and proposes a sequencing of steps over time (still daunting nevertheless);
- It proposes limited adoption of some of the Government 2.0 Taskforce proposals consistent with Westminster governance principles/realities;
- It did not require all departments to set up strategic policy hubs, instead proposing a taskforce approach that builds on previous repertoires and can be extended to APS outsiders;
- It commits to implementing a citizen service survey, but is strongly inclined to adapt existing models from Canada, New Zealand, and other jurisdictions;
- In establishing a Secretaries Board, strengthening the APSC, and drawing a circle around the APS 200, it links them to each and other initiatives in a remarkably creative way;
- It identifies key leverage points in the system for the purposes of accountability and linkage across competing value orientations;
- Its early practical steps, notwithstanding early rhetoric, have a distinct internal APS focus to them. The implication of this choice is: let’s get our own house in order, then pragmatically work out to the partners we want to engage as we can; let’s learn and get better by starting small, and build capacity and credibility; and, this latter point applied to the new APSC; and
- It provides an accountability framework, which will allow for monitoring, reviewing best practices in each area against Aus-

tralian approaches, and experimentation, learning, and recalibration in light of experience – the framework is not too binding, but will require reporting, accountability, capability and secretary reviews, etc, to ensure learning.

Finally, the Blueprint – when juxtaposed with the competing values framework – allows one to see and anticipate important strategic issues when driving APS-wide values into departments and agencies: which balances and priorities need to be acknowledged in distinct portfolios, departments and agencies? How will this affect leadership mandates, recruitment, and capability reviews?

The Blueprint seems sensible, pragmatic, and likely to work, although it would be foolish to attempt to predict what precise suite of realised reforms will have emerged in, say, five years time. Realising the Blueprint’s promise as a touchstone for the APS will require sustained attention, congruence and overlap with other processes to ensure mutual reinforcement, and inter-generational leadership. Having reviewed Ottawa’s experience with announcing the ‘management board’ concept in 1997 and only realising the promise of the concept 10 years later, and how the Modern Comptrollership initiative eventually drew into the Management Accountability Framework over the same period (Lindquist 2009c), the lessons to draw are as follows: it would be better that the APS begin with several modest initiatives consistent with touted goals (rather than start with elaborate designs), adopt an emergent approach, and eventually the institution will develop a portfolio of workable, deeper, and more effective initiatives.

The search for pragmatic approaches always means striking an initial balance among competing values, leading to a rolling balance that will be shaped by Australia’s political and bureaucratic realities, which would be consistent with the Australian government’s modern reform style when it comes to public service reform. A pragmatic, balancing approach could lead to some innovation by international standards: following through and grounding the rhetoric on matters like citizen engagement,

mobility, APS-wide leadership and development strategies, rather than inventing something totally new, will constitute innovation. Closing the gap between rhetoric and practice, and describing how well several initiatives worked, and learning from and moving forward with new approaches, would be a significant accomplishment.

#### 4. Building Momentum: Selected Issues

The Blueprint outlines a multi-year process for implementing the envisioned reforms, with a focus on concertedly building momentum within the first two years (and there is plenty to do during the rest of 2010!). What follows identifies a diverse set of matters – expanding the reach of the proposed citizen satisfaction surveys, ensuring that strategic taskforces can work well with external stakeholders, proposing a research strategy that will engage and revitalise external networks of experts on public management issues, conceiving of capability reviews as useful substitutes to cross-jurisdictional benchmarking, thinking of the APS values in different ways, and seeing the APSC restructuring as a longer term strategy with crucial choices along the way – for the purposes of encouraging discussion and with the goals of closing gaps revealed in the Moran Review process (insufficient analysis and engagement) and more fully realising the potential of the Blueprint, and perhaps yielding additional innovation.

##### *Building Beyond Citizen Satisfaction Surveys*

Well before announcing the Moran Review, it was clear that, based on *Citizens First* and *Kiwis Count* models, the prime minister and Secretary Moran were keen to have the APS adopt a systematic regime for eliciting citizen views about the quality of services delivered across the APS. The Blueprint (Recommendation 2.2) proposes a strong commitment to moving forward in this area. Adopting or adapting these models to the Australian context would be feasible and lead to an easy tick on promised Blueprint deliverables, and might attract the interest of state and territorial governments.<sup>23</sup>

However, given that these models have existed for some time and, given that the Moran Review contains broader notions of citizen engagement, the APS should consider broadening the proposed approach. In this connection it is worth drawing attention to Howard (2010) who provides a critique of the *Citizens First* survey methodology, noting it only measures citizen satisfaction about services offered to citizens, and not what combination of services citizens might want given their particular circumstances. The APS could ensure it adopts a variant of the *Citizens First* methodology, and develop a complementary instrument to secure this additional feedback.

It would be innovative and consistent with the interests of the Moran Review where citizen engagement and international benchmarking are concerned. Finally, of this can be seen as regularly engaging citizens in dialogues on emerging issues. A strategic taskforce should be struck to more fully probe the APS experience with such engagement, explore the possibilities afforded by new technologies, and more carefully identify when different instruments and information sharing can be used productively and efficiently.

##### *Circumscribed Stakeholder Engagement*

A reassuring feature of the Blueprint is the pragmatic focus on first getting the APS house in order with strategic policy and service delivery taskforces by additional internal reflection, coordination, and capacity-building, instead of attempting to wade immediately into processes involving other governments. Indeed, the actions under Recommendations 3.1 and 3.2 are notably silent about working with state, territorial, and local state governments. This implicitly recognises that, if public servants from other governments joined strategic policy taskforces, ministers might ‘COAGify’ the process, losing the learning and frank dialogue benefits.

Rather than toss out the worthy goal of collaborating with other governments in reviewing issues and research, consideration ought to be given to alternative models for fostering collaboration. The Victorian government’s

submission suggested that, since policy and delivery challenges crossed jurisdictions, several initiatives might broaden horizons and increase capabilities: sponsoring research on emerging issues confronting governments, hosting an annual forum to exchange views on developments in public administration, encouraging secondments across institutions, and sharing professional development across public service institutions. It noted examples like ANZSOG, the State Services Authority-Demos collaboration on agility in government, and the New Synthesis project.<sup>24</sup> Such mechanisms would foster the sharing of ideas and perspectives rooted in research, and dialogue would not be complicated and undermined by political considerations.

#### ***Tapping Experts with a Rolling Research Agenda***

The Advisory Group may not have reached out to external experts, leaving untapped a significant amount of research and strategic expertise on public management issues and practice in the university and private sector, but the Blueprint indicates many areas for further scrutiny, research, and dialogue. This is not a matter of reifying external experts: university scholars and other experts are heavily involved in training and encouraging students and young professionals to become the next generation of public servants; they often have fine-grained understandings of context of public service institutions of other jurisdictions, critical for interpreting the salience of best practices and reform developments; and they are often called on to provide accounts of reforms and emerging challenges. And, little effort has been made to cultivate the next generation of public administration scholars in Australia.

This suggests that APSC and PMC could work with an intermediary like ANZSOG and partner institutions to develop a rolling medium term and longer term research agenda,<sup>25</sup> which could identify topics for preliminary literature reviews on selected issues and for expert dialogue sessions with executives and experts from inside and outside government. This would yield insight, information on tap, and identify

areas requiring deeper research and analysis. The reviews and dialogues could match established experts with emerging scholars, as well as colleagues in cognate disciplines on a selective basis, rejuvenating the network of public policy and management scholars and broadening research networks for government and scholars alike.

#### ***Capability Reviews and Benchmarking***

The KPMG benchmarking study prepared for the Moran Review is best thought of as an exploratory study, one that identifies the availability and focus of international benchmarking studies and products, and shows their weaknesses and usefulness when evaluating performance and considering reform. The Blueprint, despite its broader goal of improving performance and monitoring across the APS, concluded that, going forward, most of its benchmarking activity would be internal in nature, comparing the performance of agencies. However, informed by the experience of the UK, Canada, and New Zealand, the Advisory Group recommends proceeding with capability reviews of agencies with small review teams comprised of an external expert, top central officials and others as required.

The Blueprint proposes that the capability reviews use the P3M3 methodology because it would provide a consistent evaluative framework.<sup>26</sup> Interestingly, this recommendation is not presented as an external benchmarking strategy. However, the external representative on the review team could come from peer institutions in other jurisdictions, and some sense of comparative practice and performance could be more systematically ascertained. If other jurisdictions were willing to more share information from respective capability reviews among themselves, this could be seen as *de facto* benchmarking strategy.

This may seem beyond the pale, but the government should consider involving scholars in such reviews. It would lead to a much greater appreciation of agency challenges and review processes, and serve to inform and influence scholarly research agendas. Such engagement



might also lead to constructively critical perspectives on the review methodology.

### *Values, Memes and Ethical Competence*

Early on, the Moran Review attached a high priority to assessing whether to modernise the APS values and develop a more concise and memorable list. The Advisory Group put this as the first substantive matter to be addressed by the discussion paper, and one round of the PMC online discussion forum was devoted to APS values, as were the afternoon sessions of the six APS forums. Interestingly, though, the feedback from the discussion and APS forums was not what I think the Advisory Group anticipated: considerable value was seen in the current APS values, and it was difficult for participants to see how to more concisely render these ideas and fold in more contemporary themes, without losing the nuance and meaning that increases their power. As Mulgan (2009:1) pointed out, the fewer values one is given, the more they need to be explained, and this dynamic was reflected in those discussions! Everyone had different emphases and starting points, perhaps reflecting roles and experience, and this did not emerge as a priority given the other issues embraced by the Moran Review – while the Blueprint did not produce a solution, the Advisory Group nevertheless recommended ‘simplifying and rearticulating’ the APS values (p.46).

Let me simply assert that simplification may fit with a branding strategy and ensure more staff can remember them (and always more modern ones, like innovation!), but this will not increase ethical awareness and competence in particular situations, which requires a willingness to reflect, appraise, perhaps engage colleagues in dialogue, and then act (Langford 2004, 2007; Heintzman 2008). Likewise, asserting new values may be conceived as part of a culture change strategy, but even significant investment in leadership development programs and top-down encouragement, may have little effect: the experienced incentives and work of public servants have to change before value orientations shift (Vakil 2009). This is consistent with casting values as memes (Blackmore

1999; Dawkins 1976), which draws attention to the fact that, while the APS values may be repeatedly promulgated and referred to, only certain sub-sets of those values will spread, replicate, take root and get manifested as behaviours in congruent and sufficiently enabling environments.

These observations suggest that the matter of identifying, conveying, encouraging, and monitoring ethical competence deserve considerable and close attention. It is another area that would benefit from sustained dialogue with external experts.

### *Strategically Building the New APSC*

The APSC is the only agency singled out for mandate and structural change in a Blueprint that otherwise avoids using machinery-of-government solutions to address the challenges it identifies. It will be an exciting and daunting time. APSC has built its reputation over the years by promoting and upholding the APS values, systematically collecting data and reporting and producing well-researched and highly-regarded studies on the state of the APS and on selected issues for the Management Advisory Committee. The irony, of course, is that the Blueprint now challenges the APSC to take on a leadership role in addressing the very challenges it has drawn attention to over many years.

The APSC will continue to collect data and produce studies on the state of the APS and on leadership and management issues, and uphold a revised set of values. However, it will be moving from a questioning, encouraging, and best-practice posture that relied on information and suasion, to a monitoring, assessing, and regulatory posture that will rely on data and reviews on the capability and performance of agencies, and on the classification and compensation system. Expectations will be high; the new APSC will be the lynchpin of realising the Blueprint’s goals.

The APSC needs to receive sufficient funding, space, and time to succeed. Working in its favour is its current size (small at about 200 full time equivalents) and the joy of far less human resource clutter among central agencies

in the APS compared to other jurisdictions<sup>27</sup> – neither Treasury nor Finance should have interest in taking on or resisting a renewed APSC unless it becomes costly or compromises their own recruitment and leadership development repertoires. This suggests that the APSC will have running room to hire new staff, establish new repertoires, build credibility and expertise in those domains, and broaden out. However, fully shifting to its new role will take at least five years.

A critical matter concerns whether the APSC should focus on and more quickly build in the areas of strategic workforce development, capability reviews, or classification, while maintaining its current portfolio of responsibilities. Regardless of which areas it chooses, it should begin with a state-of-practice and collaborative approach with departments and agencies to build frameworks and knowledge, steadily building expertise and improving repertoires (supported by centres-of-excellence), and later broadening this expertise and repertoires. In this way it can steadily move towards an increasingly sharper assessment posture when ready. As the APSC takes on more ‘assessment’ and ‘regulatory’ repertoires, it will be interesting to see if agencies continue to share as much soft information, outside of the capability and other reviews, as they have in the past.

## 5. Conclusion

Given the breadth of the Blueprint, and the interests of different observers of the APS, there will be other perspectives on what constitutes worthy issues to explore. Certainly, there will be no shortage of issues to monitor and engage over the next few years. While the Moran Review may not rival the Coombs Commission from the perspective of research and analysis, it nevertheless constitutes an important benchmark with its synoptic view of the APS and the directions in which it should move.

On 8 May 2010, Prime Minister Rudd announced an agreement with the Australian National University for a new Australian National Institute for Public Policy located at the Crawford School of Economics and Government,

which will work with the APS and other ANU research centres and collaborate with the Australia and New Zealand School of Government to better inform and debate public policy (Rudd 2010c). This culminated in two other announcements realising commitments identified in his Garran Oration (Rudd 2010a, 2010b). The prime minister also used the occasion to announce that his government had accepted all of the Advisory Group’s recommendations in the Blueprint which, in the context of the forthcoming budget, suggests that sufficient funding will be allocated to the APSC to realise its expanded mandate. The APS’s top leadership and its next generation of leaders have a good basis for building momentum to implement the Blueprint’s multi-faceted and inter-linked recommendations, which will require as much concerted attention as the Moran Review.

If the APS is similar to other public service institutions, and despite these recent announcements, there will be sceptics with a ‘show me’ attitude and others prepared to weather the latest reform fad. The path to success will hinge on starting on all of the fronts identified in the Blueprint, nevertheless choosing priorities and starting small, decisively, and securing good feedback from the system and outsiders. Despite its decentralised agencies and operations, the APS’ responsiveness and pragmatism will increase the chances for success over the longer term. This should make it easier to build an expanding circle of interest and more confidence in the reforms, despite a tightening in operating budgets. In addition, this article has suggested more systematically engaging outsider experts and institutions in this process as envisioned by the prime minister, undertaking fuller analysis, and relying on more regular and sophisticated means of engagement should have pay-offs in the shorter and longer term. It is a big, nationally worthwhile agenda, and the APS will need all the hands and perspectives it can get.

## Endnotes

1. This is an abridged version a much longer discussion paper intended to provide background for an Institute of Public Administration

of Australia Roundtable on 18-19 May 2010 in Canberra to review the Reform of Australian Government Administration (RAGA) initiative (or the Moran Review). Relevant excerpts from the longer paper were circulated to the IPAA roundtable as two annexes (Lindquist 2010a, 2010b). I wish to acknowledge the support of IPAA, the Australian National University and the Australia and New Zealand School of Government, as well as the encouragement of John Wanna, but emphasise the views contained here are mine alone.

2. These included the following: Prime Minister Rudd's 30 April 2008 speech to SES Groups (Heads of agencies and SES); Secretary Moran's 15 July 2009 speech (IPAA Conference – Canberra); Prime Minister Rudd's 3 September 2009 John Paterson Oration, Canberra (launches RAGA); Secretary Moran's 6 Nov 2009 Dunstan Oration, IPAA, South Australia (Adelaide); and Prime Minister Rudd's 20 November 2009 Garran Oration, IPPA, Brisbane.

3. See Lindquist 2010a for more detail in support of these points, including direct quotations from the speeches of Prime Minister Rudd and Secretary Moran, as well as from the discussion paper.

4. *Chris Blake* (EGM Business Strategy and People, National Australia Bank); *Glyn Davis* (Vice Chancellor and President, University of Melbourne); *Jo Evans* (Assistant Secretary, Department of Climate Change); *Ken Henry* (Secretary, Treasury); *Robyn Kruk* (Secretary, Department of Environment, Water, Heritage and the Arts); *Carmel McGregor* (Acting APS Commissioner), later replaced by *Steve Sedgwick* (APS Commissioner); *Ann Sherry* (Chief Executive, Carnival Australia); *Nick Warner* (Director-General, Australia Secret Intelligence Service); and *Patrick Weller* (Professor of Politics and Public Policy, Griffith University).

5. So, for example, Canada may have strong commitments to citizen satisfaction surveys and evaluation, and the government may con-

tinue to support the Policy Research Initiative, but do their reports and other outputs get used and have influence? If a country does well in some areas, does it get traded off against other areas? Why do some countries do well in some areas with respect to their public service institutions and not others? Does country size and nature of governance system (unitary state vs. federation) matter?

6. Figures calculated based on the postings available at URL: <<http://forums.pmc.gov.au/forum>>.

7. Lindquist (2010b) contains a high-level analysis of the documentation of publicly available consultations.

8. Surprisingly, this had not been done before since the CIU was informed by the UK's Prime Minister's Delivery Unit (Wanna 2006; Lindquist 2006; Barber 2007). And, given that CIU was offered as a model for how the Secretaries Board might support the proposed task forces, the Blueprint was silent about its effectiveness given the controversies around the home insulation and Building the Education Revolution (BER) programs.

9. These comments are offered with modest expectations about the extent to which research should and does have immediate impact on decision-making, and with full appreciation that good research is about developing the stock of personal and corporate knowledge, which may get applied and be useful in many different contexts and often years into the future, often through future generations of officials and public servants (Lindquist 1990, 2009b).

10. This begs the question of why such a paper was commissioned and released. The benchmarking paper is best evaluated in symbolic as opposed to substantive and influence terms (Feldman and March 1981), as explored later in this article. It could have been positioned as 'a preliminary scan, because we believe benchmarking will be a key element of any reform strategy we develop', but this was not the case.

11. The implications for the Comrie (2005) and Palmer (2005) inquiries are discussed in the 2004-05 *State of the Service* report (APSC 2005:6-7), and in the two subsequent reports.

12. See Wanna 2007; O'Flynn and Wanna 2008; Bouckaert and Halligan 2009; Argyrous 2009; Wanna, Butcher and Freyens 2010. These reports captured recent thinking, and at the very least indirectly informed many of the ideas animating the Moran Review. Whether this range of thinking and information optimally informed the review's engagement process was a different matter.

13. There was a significant missed opportunity here: ANZSOG has published several studies on citizen engagement (see, for example, Stewart 2009) and there has been world-class research on leading-edge approaches to engagement at the Australian National University and other Australian universities. There is no evidence that this research and expertise was tapped into during the Moran Review.

14. Was this gap in the process deliberate or an oversight? If a set of specific research questions had been set out in September, there would have been more response from university scholars and academic units. But this presumes that applied scholars only respond to a well-specified research agenda. Perhaps the process was *not* designed to elicit advice from these quarters due to time and resource constraints, and an Advisory Group sure about the directions it wanted to take. More worrisome is the possibility that APS leaders believed little insight could be gleaned from public administration scholars, that the extent and depth of this source of advice was 'thin' and predictable. This matter is worth probing further because *Ahead of The Game* calls for strengthening links with universities and the strategic policy taskforces are to tap into the best talent across the APS, other governments and the university, non-profit and for-profit sectors.

15. Lindquist (2010b) provides more detail on the nature of the contributors and contributions to traditional submissions and the online fo-

runs, which were publicly available. It also contains a high-level summary of commentary and other media coverage of the Moran Review.

16. On the origins of Citizens First and the Common Measurements Tool, see: Dinsdale and Marson (1999), Erin Research (1998), and Schmidt and Strickland (1998). For a fully up-to-date compendium of Citizens First reports and related materials, see the Institute for Citizen-Centred Service at URL: <<http://www.iccs-isac.org/en/>>. On the origins and evolution of the Management Accountability Framework, see Lindquist (2009c) and the Treasury Board of Canada Secretariat web site on MAF at URL: <<http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp>>.

17. Denmark's Mindlab is a small innovation hub, sponsored by three government departments and comprised of an interdisciplinary team (six permanent staff and another nine seconded staff including PhD students), that scopes out innovations in the delivery of services to citizens utilising a citizen-informed methodology (URL: <<http://www.mind-lab.dk/en>>). Singapore's Enterprise Challenge solicits proposals from inside and outside government to improve the delivery of public services, providing seed money to develop and test the ideas. When funding is available, it uses a review to provide reviews within two weeks (URL: <<http://www.tec.gov.sg/about-us.html>>).

18. Indeed, much innovation occurs because after scanning elsewhere for ideas and practices, and adapting them to a home institution, there will often result imperfect replication. This may occur through adaptation to local needs, incomplete understanding of the context and workings of the emulated innovation, or 'borrowers' see better approaches, which become innovations in their own right. Imitated innovations, of course, may fail because local circumstances are not appropriate or conducive to replication or success (Rose 1991; Bennett 1997; Dolowitz and Marsh 2000).

19. The title is evocative of the Royal Commission on Australian Government Administration

(the Coombs Commission), announced in 1974 and, buttressed by a significant program of research, reported in 1976.

20. Indeed, when it comes to mounting cases for comprehensive reform, I do not think that administrative reformers behave any differently than those who advocate reform of political institutions or of sectoral policy regimes.

21. Years later, Roger Martin would publish a well-known book, *The Opposable Mind* (2007) with similar insight.

22. This framework does not address the political dimension, which permeates and constrains the intersecting and privileging of these values and associated initiatives. Indeed, the Blueprint also does not address the political dimension, as Mulgan observed at a 31 March 2010 seminar by the Public Policy and Governance Group at ANU's Crawford School to review the report.

23. In Canada, collaboration with *Citizens First* includes partners from different levels of government under the Institute for Citizen-Centred Governance. See URL: <<http://www.iccs-isac.org/en/>>. For information on the *Kiwis Count* initiative, see State Services Commission (2010).

24. See State Services Authority (2008) for more details on explorations on agility. For more information on the New Synthesis project, see URL: <<http://www.ns6newsynthesis.com/>>.

25. This would be consistent with Prime Minister Rudd's observation that 'for too long in Australia, thick walls have existed between places of research and learning, and places of policy-making and implementation. Those thick walls do not enhance either the quality of public administration or the quality of academia' (Rudd 2009a).

26. See UK Office of Government Commerce web site at URL: <<http://www.p3m3-officialsite.com/home/home.asp>>.

27. In Canada, there is no shortage of central agencies and literally hundreds of staff with fin-

gers in the strategic human resource development pie and, compared to Australia, it already has a largely unified public service (a separate employer, common classification schemes, and an executive group that thinks of itself in those terms, etc), with the exception of a few separate employers like Revenue Canada.

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## ATTACHMENT D

**Implementing 'Ahead of the Game'**

By Lynne Tacy and Andrew Podger

In partnership with ANZSOG and the Academy of Social Sciences Australia, IPAA conducted a Roundtable discussion on 18 May 2010 to explore key aspects of the *Ahead of the Game* Report and its proposed reform agenda, now accepted in full by the Government. The Roundtable brought together senior public servants (federal and state), academics, commentators, representatives from the not for profit and private sectors together with the CPSU. It was immediately preceded by a public lecture by the Secretary of the Department of the Prime Minister and Cabinet, Mr Terry Moran, which provided a valuable platform and background for the discussions.

The views expressed at the Roundtable about the Report, the directions proposed and the process undertaken in its development were broad ranging. It was generally recognised that, while the Report sets out an ambitious agenda and a series of mutually reinforcing actions to be taken, the approach can be described as “emergent”, with major components yet to be completed through the work of lead agencies, the Secretaries Board and the APS 200 group.

Those directly involved in the review emphasised their assessment that the APS is ‘not broken’, but that renewed effort is required now and into the future to address weaknesses and to meet new challenges. They also defended the process used by the review, including its tight timeframe, highlighting the benefits of a prompt report and early Government decisions in contrast to the approach of, for example, the Coombs Royal Commission in the 1970s.

While there was debate about this and criticism of the limited analysis in the Report, much of the discussion went to the implementation of the Report: what will need to happen for its objectives to be fully achieved. A number of useful suggestions were made which are the focus of this summary.

The Roundtable did not attempt to deal comprehensively with all aspects of the Report and the points made did not necessarily reflect the views of everyone present.

**Next steps: the process for implementation will be critical**

A consistent theme in the Roundtable discussions was both the extent of cultural change required to deliver the reforms and the reliance on the SES and APS employees more generally exhibiting wholehearted support for the new directions and taking concerted action to implement the new directions. They will need to be firmly galvanised behind the reforms.

The implementation process should be framed to support this. Engagement with staff will be vital. Mr Moran’s address referred to an intensive process of talking about the reforms with APS employees across the country. Many Roundtable participants felt that the level of SES and employee engagement could be assisted by a stronger sense of the underling or driving narrative behind the reforms. APS employees will need to understand and commit to the objectives and directions set out for them, recognising the relevance and importance to their work and be inspired to do their part in delivering those objectives.

There was wide agreement, however, with the decision to omit from the Report the earlier aspirational statement about becoming ‘the world’s best public service’. The international benchmarking undertaken for the review had previously been widely criticised, and the aspiration lacked any tangible meaning as it omitted any sense of political and social contexts. Nevertheless, in rolling out these reforms a vision should be provided for the APS that provides a source of inspiration and pride in how public servants see themselves and their role. Clear and simple language and an explicit rationale for change are required.

Themes suggested by participants included much greater stress on the role of the APS as an essential element of ‘responsible government’ and as part of broader civil society, working in the public interest in partnership with other sectors. This sense of idealism and contributing to society was seen as important not only to galvanise public servants to get behind the reforms and the directions proposed, but also to support the attraction and retention of staff into the public service, particularly newer generations.

It was also felt that staff commitment was more likely to be achieved by presenting the reforms in the context of the ongoing changes to the public service over recent years and decades. Others also considered that the significant round of changes public servants had witnessed were not sufficiently recognised in the Report and, if not given acknowledgement through the implementation process, would confuse and diminish the reforms as just the latest in a series of changes without a sense of what’s being retained, what’s fundamentally different and why further change is necessary.

One aspect of this is how the overall architecture of the system is to be framed under the new arrangements; i.e. where it fits on the ‘centralised/ devolved’ spectrum. There is likely to be some perception of ‘back to the future’: of the pendulum moving back to a centralised approach. Getting an understanding of what is meant by a “more unified APS” and what this means for leaders within it will be part of the essential glue in making the new approach work.

Engagement of staff will need to go beyond telling them what the reforms are and what they mean in practice for their ways of working. Some of the key elements (eg approaches relating to whole of government and citizen centred service delivery) have been the subject of catch phrases and exhortations for some time, both here and internationally. While the Report details some specific steps to give them substance, whether this happens in a consistent and deep seated way on the ground is very much reliant on APS employees and the SES in particular being truly hooked in and on having the organisational systems and approaches required.

Roundtable participants also pointed to the value of engagement with other stakeholders on how best to achieve the ends spelt out. The importance of ministers’ support was stressed in a number of areas, including the use of shared outcomes, reporting and accountability; focusing on long term policy issues in an evidence based way; and fostering innovation and countering a risk averse orientation. If ministers are not on board with these directions, public servants will find it difficult to work in the ways envisaged. The value of engaging with broader parliamentary stakeholders was also raised, particularly in the context of achieving as much bipartisan support as possible. The bipartisan approach achieved with the 1999 changes to the Public Service Act was highlighted. Similarly, value was seen in engagement with State governments with a view to developing common objectives and ways of working across the public sector as a whole, and to ensuring a deeper understanding of how the reforms will play out at a practical level eg in place management, service delivery and whole of government initiatives.

### **Citizen centred service delivery**

There was strong support for the overall objectives of this key plank of the Report and for the priority it was given. There were also questions about what exactly it meant and should mean in practice. It was noted that considerable work has been left to the Secretaries Board and the APS 200 group. To assist that work, several suggestions were made and issues canvassed.

Partnering arrangements and ensuring responsiveness to the different needs of individuals and communities will require a fundamental shift in the way the APS delivers services, involving:

- a shift toward more local decision making involving a sharing of power, particularly when addressing complex issues of social disadvantage;
- a deep understanding by commissioning public servants of their partner entities (including of the different types of business and not-for-profit entities);
- a preparedness to tackle seriously the problems of red tape and programmatic confetti which cause inefficiencies for non government providers and undermine social innovation through their focus on processes rather than results. This is a problem that has been recognised in a range of reports over recent years and has been the subject of many commitments to address, with little actual improvement. Related to this issue is the need for greater clarity on arrangements for procurement and grants;
- an appreciation of the importance of place management and local delivery; and
- an effective governance model which puts emphasis on defining and agreeing on outcomes.

The scale of the cultural change required may not be sufficiently appreciated across the senior echelons of the public service. The importance of giving authority or 'clout' to front-line staff, and of these staff developing strong relationships with local communities and organisations, was emphasised. Citizens having choice was also mentioned as an important element of a more responsive service delivery system.

While ICT offers major opportunities to be exploited for better and more integrated service delivery, care is needed not to rely on this to the exclusion of rethinking fundamental design issues. In addition, the position of the most vulnerable and disadvantaged needs to be catered for, so their position is not made worse because of a lack of access to ICT.

In relation to the proposed citizen surveys, the need for care was emphasised to ensure that the most vulnerable and disadvantaged are engaged in the process, and that the questions go beyond reactions to individual incidences of service provision to the intersections between services and the overall citizen experience.

### **Strategic Policy Advising**

Roundtable participants supported the Report's focus on strategic policy development and the need for strengthened capability in this area. They also supported the shift in the Report from the earlier discussion paper's proposal for continuing policy hubs to an emphasis on cross-cutting projects together with ongoing portfolio-based policy capacity.

The Roundtable was reminded of work in the 1990s on evaluating policy advising which emphasised the importance of quality inputs and the *process* of policy development, not just the *end product*.

Sound research was seen as critical to effective policy making but the policy/research relationship is often fragile. The extent and strength of cross institution and cross sector linkages were identified as a key predictor of good research and policy development outcomes. The links between academics and practitioners need strengthening through the implementation process.

A range of approaches were canvassed, including:

- workshopping of intractable policy issues involving wide cross sections of stakeholders and academics;
- use of 'knowledge brokers';
- exchanges of public servants into research and not-for-profit bodies to support thinking time and innovation
- interdisciplinary research communities (supported by broader initiatives through ARC and related bodies).

The central role evaluation played in the APS in the early 1990s was seen as needing to be rebuilt, incorporating both independent and in-house activity, with the latter drawing on external sources of advice and information. Doubts were expressed, however, about the utility of the tool kit proposed in the Report. More substantial action is needed to develop strategic policy capability.

Key ingredients of *strategic* policy advising canvassed in the discussions included: adoption of crosscutting and inclusive approaches; being proactive and using environmental scanning to inform forward thinking; strong capacity for systems thinking and for evidence based analysis; applying a longer term perspective while being able to spell out shorter term milestones and issues; access to deep technical expertise; the ability to seize opportunities; a capacity to clearly set out policy purpose and options; knowing when to step up and provide frank and fearless advice, when to back off and when to dig in; and the ability to negotiate and compromise. Organisational support needs to be provided for integration of work done by different policy units, and to ensure innovation and policy research is not crowded out by short term crises and demands from ministers. Political and senior management permission is needed for "over the horizon" work, in line with the stewardship notion outlined in the Report.

Capability building will require a number of strategies and a concerted effort including recruitment, training and development, learning experience and exposure to different perspectives and environments.

### **Building Human Capital**

A number of participants considered the development of people in the APS as the weakest area of APS performance in recent years. Surveys consistently identify negative views by the majority of APS employees about leadership, a risk averse culture that focuses too much on the short-term, boring jobs and not being valued for what they do let alone what they could contribute. There is widespread disenchantment that demands attention including through investment in capability building and talent management.

Accordingly, there was strong support for the emphasis given to human capital in the Report. It was noted that the changes needed would require years of sustained effort not just by the APSC and the leadership



group but by managers across the service who must put more effort into coaching and mentoring and career management, areas that have been largely neglected because of pressures to meet more immediate goals.

In implementing the Report, attention would need to be given to the changing nature of the workplace, particularly with the impact of ICT and an increased focus on community engagement. Demographic change, including generational changes in expectations about the nature of work and the boundary between work and family, also need to be addressed.

Greater consistency in wages and conditions and the renewed focus on a career service proposed in the Report were seen positively by the Roundtable, noting the significant work still to be done in translating this into reality.

While there was broad support for the APSC taking a greater role in this area, particularly with regard to classification and pay across the APS, more work is needed to clarify what should be 'tight' at the centre and what should be 'loose', giving agencies the flexibility to set and manage their own approaches. One suggestion based on UK practice was for the APSC to take responsibility for recruiting high fliers across the APS and overseeing their career development to ensure an ongoing cadre of people who identify themselves strongly with the APS as a whole. Another was for agencies to invest more heavily in HR expertise to support their efforts to build human capital.

The setting of the APS Values and their promotion are central to the concept of a cohesive APS. While there was sympathy for the idea of a simpler formulation of the values, the benefits of a bipartisan approach were also highlighted. It was also noted that evidence from the State of Service Report suggested high levels of familiarity, and that the APSC's grouping of the values according to key relationships and behaviours had proven to be very useful in explaining and promoting them.

The primary concern about the values was not their articulation but their promotion and their genuine reflection in the way agencies and their leaders work and behave. Concerns were expressed about a perceived gap between the stated values and leadership and workplace practices in a number of agencies. More effort is needed in training EL and SES staff about their responsibilities to uphold and promote the values.

The new Secretaries Board and APS 200 will need to play a very significant role in championing the Values and desired leadership culture, involving dedicated time and effort which some might find challenging given the established preoccupation with internal agency priorities.

### **Governance and Efficiency**

In implementing the proposed approaches, participants considered that more attention was required to ensure the support of ministers. Many of the initiatives rely on changes in behaviour by ministers and their advisers, eg to allow for less risk averse and more innovative approaches; focusing on both longer term as well as short term delivery; and taking truly whole of government and collaborative and partnership approaches openly involving non-government groups and organisations.

It was suggested that the directions outlined throughout the Report could best be pursued by action-based learning. Some of the big social and economic issues facing the nation might be addressed as major projects by the public service together with ministers and advisers in a refreshing, new way. The public service could

demonstrate its greater attention towards evidence and the long-term, its interaction with external groups both in policy and implementation, and less risk-averse attitudes, while ministers and advisers demonstrate their permission and even active support, appreciating the distinct roles of politicians and administrators.

In this context, the completion of the Faulkner agenda for improved integrity in government was welcomed. The new role of the Public Service Commissioner in the process of appointing or terminating departmental secretaries complements earlier action on a code of conduct for advisers, merit-based appointment of statutory officers, the regulation of lobbyists and reforms to FOI.

The challenges involved in making these new governance arrangements work in practice were acknowledged, including the fact that some recent developments such as the weakening of Cabinet processes and the centralisation of communications management have been working in the opposite direction.

Several participants also noted that the Report's discussion of governance did not canvass key structural issues such as the role of specialist agencies and the use of purchaser/provider relationships. This seems a little surprising given the emphasis on service delivery and the large proportion of APS employees working in such agencies. The narrowing of MAC membership to portfolio secretaries might suggest a move away from specialist agencies, notwithstanding the establishment of APS 200. It will be important to involve non-departmental agencies closely in deliberations on 'strategic policy advising' and human capital as well as service delivery.

The concept of shared outcomes and reporting was supported, but the difficulty of embedding this in an effective way was stressed: it needs hard-wiring and support from ministers as well as from Parliament more widely. Experience overseas as well as with Senate estimates processes looking at whole of government Indigenous service delivery should be evaluated to identify lessons for the future. A greater focus on outcomes rather than processes was required. Training for new ministers and advisers could also form an important part of the new approaches envisaged for accountability and effectiveness. There was also strong support for engagement with opposition parties and the development of bipartisan approaches to modern accountability arrangements for the APS.

The Roundtable supported the proposed review of the efficiency dividend, noting the concerns raised by IPAA in its submissions to the Review and to the 2008 JCPAA inquiry into the efficiency dividend. The proposed capability reviews were supported as a more targeted approach to identifying potential improvements in efficiency and effectiveness, though they should be kept strategic and high level.

## **Conclusions**

Notwithstanding many differences of view, there was broad support for the general directions set out in the Report, particularly the strengthened role of the APSC and the sense of a more unified and outward-looking public service. The Report addresses many of the problems identified over recent years such as the loss of policy capacity, a degree of politicisation, weaknesses in implementation caused in part by a compliance rather than informed partnership approach, de-skilling after outsourcing and privatisation, insularity and excessive caution. It also attempts to address emerging challenges such as better use of new technology, changes in the workforce and increasing expectations. In doing so, as one participant observed, the Report represents a rediscovery of the craft of activist government in a post-NPM environment which demands increased citizen engagement.

Nonetheless, some gaps and weaknesses were identified and debated:

- whether the Report is excessively centralising or merely pressing for more ‘integration’;
- whether it pays sufficient attention to structures, to complement its focus on people and processes;
- whether it is sufficiently exciting to gain the enthusiastic attention of those across the APS who must follow it through over a number of years;
- whether it has more than a perfunctory nod from ministers and the political arm of government, and whether it can attract bipartisan support and shared responsibility amongst both politicians and administrators for stewardship of the public service.

Implementation will clearly be critical to achieving the Report’s objectives. Some refinement of the recommendations and some complementary action may also be needed to fill the gaps and address the weaknesses which some Roundtable participants identified.