

The public sector's pandemic: Part 2, the workforce

ABC Radio National, Saturday Extra with Geraldine Doogue.

Broadcast Saturday 17 April 2021, 8.20am.

Interview with guests, **Dr Gordon de Brouwer PSM** (National President, Institute of Public Administration Australia) and **Tom Burton** (Government Editor with the Australian Financial Review).

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URL <https://www.abc.net.au/radionational/programs/saturdayextra/public-service-pt-2/13296634>

Transcript

Geraldine Doogue After Christine Holgate's humiliating treatment as the leader of a public service agency, Australia Post, future leaders may well be thinking, 'No thank you'.

Attracting robust, independent leaders is a perennial issue for the public service — although leaders in the Health and Economic areas of government departments have undeniably found new-found authority and respect during the pandemic.

As part of our series on the public sector in the pandemic — and the weaknesses, strengths and challenges that have been exposed — we're focusing today not just on leadership but on broader workforce questions.

And I'm delighted to welcome this time Gordon de Brouwer, a former Professor of Economics — and still an honorary one at the ANU — former Secretary of the Department of the Environment in the Commonwealth, former member of the Department of the Prime Minister and Cabinet under the Rudd Government, and currently National President of the Institute of Public Administration Australia.

And Tom Burton is Government Editor with the Australian Financial Review and a former publisher of The Mandarin — the online journal, widely-read — and former Canberra Bureau Chief of the Financial Review.

Thank you both for joining me.

Gordon de Brouwer Thank you very much Geraldine.

Tom Burton Thank you.

Geraldine Doogue Now Tom Burton you've written this week that Christine Holgate represents a 'people problem' highlighted by David Thodey's review of the Public Service — how so?

Tom Burton Well one of the big issues I think Gordon was part of in the review that David Thodey made of the Australian Public Service — about two year's ago now — was this issue about getting a more modern capability in to the public service, and there was this observation that public service, the Australian federal public service, had really struggled to see what was coming in terms of digital, in terms of data, in terms of... modern social media and needing to engage with people at a citizen level — those sort three big problems — citizen-centric government.

And so the observation was one of the ways of... fixing that problem was to start recruiting more broadly and start bringing in outsiders to the public service so Christine Holgate's a good example of someone like that.

And so the politics of her demise if you like is just a big red flag for anyone sitting on the outside of the public service, saying 'Do I want to go there?'

And the public service is a great place to work. It's got a lot of great work for professionals, particularly wanting to, you know with public purpose, bring some sort of better world.

But when you look at the problems when they get there, and they have a lot of troubles getting onboard and then about a quarter of them leave within two years — of those who come onboard at the senior public service level.

Geraldine Doogue Yes, that was a bit of a surprise to read that statistic.

Tom Burton Yeah, it's a bunch of things happening there. I think at the core of it is this sort of ability to be effective — and a lot of senior public servants talk about this you know — how do you get more strategic policy advice into government?

Part of that's the political problem — you know we've had a much more... problematic political piece over the last 10, 15 years — and I think the public service is an institution innately based around rules, and so when the roles keep changing very quickly it struggles to make those sorts of transitions.

I think at core that's sort what we've seen.

Geraldine Doogue Right. Gordon de Brouwer what does the Holgate case say to you about where things are with public sector leadership?

Gordon de Brouwer I think it shows just how important it is to bring people who do have commercial savvy, who have understanding of different markets, and can innovate.

So that they're really important attributes and they're a way of refreshing service and developing those skills.

But what it really shows as well is that the public sector is not like the private sector. It has it's own set of governance requirements — and these are legislated requirements — and so understanding that and frankly respecting that: it's not just all bureaucratic sludge, it's not all just process for process's sake. There's actually a purpose to those things.

Understanding that system is really important. So I think where it puts... when you bring someone in with that innovation and savvy, it's also guiding them and mentoring them through the value of the process. But also, how do you use that process and what those rules mean.

So, I think it's being alert and helping people grow in that position. Because it is quite different.

Geraldine Doogue Yes. I mean it's interesting to watch Brendan Murphy — Dr Brendan Murphy — move into this role isn't it? From having been obviously a specialist and then Chief Medical Officer, and we see so much of him more or less. So it will be interesting to follow him.

Gordon de Brouwer Yeah, I think what... often these things is that, the person at the top isn't the only person. And it's not like they're the only person who's going to be interacting with the ministers or the Government. There's

a whole system underpinning that and a whole group of people. And it's really making sure that those people also have the skills and complementary attributes that support someone like Brendan in his job. But also can bring that diverse range of interests and...

The public sector's really quite different in the sense that there are lots of different views that they have to deal with — there's policy elements, there's also political elements, a lot of this is done in private discussions and a lot of it's done very directly with ministers, with really genuine and confidential advice and conversations with ministers. That's a very complex and hard operating environment.

So processes look like they're sludge sometimes, but actually they're a way of making sure that different voices are heard, that there's always integrity, especially when there are things behind closed doors — that there's integrity in that — and that there are basic rules that are set out in law of how public sector has to operate. And you don't just know that. People can't come in and know that. You really need support and guidance around that.

Geraldine Doogue

The slow vaccine rollout which the Government was being criticised for, before the announcement last week of the change of direction... you've been thinking Gordon, about the Federal and state relationship — in terms of trying to broaden our discussion now — and their respective workforces because it's just been such rich material to look at, I presume, for someone like yourself.

What conclusions have you started to draw?

Gordon de Brouwer

Yeah, I think it'd more in terms of how you frame the problem, and people are always going to look for what the outcome is... which is vaccination and basically, a safe but frankly open society as well, an economy...

But there are a couple of things that you really go to look for.

Is the government, is it looking for — in a federation, I think the discovery of, or the pandemic has shown just how important the federation is, and the individual roles of Commonwealth and state.

And when you're looking for solutions to problems, I'd say on vaccination — are people using all of the state mechanisms as well? And not just seeking to use their own federal mechanisms or national mechanisms.

So it's really: are they engaging? Have they talked and openly with that?

So is there really full conversation and open communication between the Commonwealth and states and territories?

And also, is there real communication with the affected sectors, especially doctors, some of the health providers...

So it's really that you've used the whole national system, in both the Commonwealth and the states, and that you've really delved into, and had open communication around that and looked for real solutions.

And I think that's the expectation. There's a lot of learning in this.

Geraldine Doogue Yes. Tom Burton what do you see as the workforce implications or lessons of the vaccine rollout?

Tom Burton Ah, one has been... the highly effective public health response. You know, Australia's a posterchild worldwide for the public health response. And as someone observed, we didn't just crush the curve we just totally got rid of it.

And so that's been a really important I think, you know, reminder to everyone what sophisticated, big public sector processes look like, and as Gordon say, that's a very complex play. And it's been... it's contentious but it's been very effective and it's got us where we are so that's a bit of a huge reminder of... it's been said before but just relying on expertise and data and evidence has led that process and we haven't let ourselves be distracted by sort of the politics of it on occasions — and that's certain been certainly a big win.

I think the point Gordon was making about the states and the role of the states is really interesting. I think the pandemic's really reminded us as Gordon said, just how important the states are, and typically you know national media gets driven a lot out of Canberra, politics

gets driven out of Canberra, and often the states are just seen as someone who puts out the rubbish. And you see that written.

And so an understanding of the states' role — and I think the vaccinations a good example of that — the states have got a lot of capability to do that.

The Federal Government is being pushed more and more to be a big service provider — disability, aged care, those sort of spaces — and so all of a sudden, I think we need an important discussion. Is that the appropriate level to deliver those services, and you know my instinct is 'No'.

We know from experience the best... service delivery is best done locally, you know provincially, and worst done centrally. And I think as we see these bigger spaces — like disability, like aged care, you know, even education is problematic to drive from the big centre and I think that's one of the problems with the Federal public service, it keeps getting dragged into that morass. And it's not set up for that. It just isn't set up for that... it's a solid policy-based environment. It's not a service delivery environment — with the exception obviously of Services Australia, but that's its only role in that space.

Geraldine Doogue

Yeah, it's interesting to listen to you two because you know Gordon de Brouwer I was thinking of the workforce positives you've seen come out of the pandemic. Because you know the business world at the moment — if I had to characterise it — is absolutely gobsmacked at how well Australia is doing.

I mean, you read the business pages, as I enjoy doing, and there's just this sense a minor miracle has occurred. And to a degree they don't want to know the granular detail — that's my instinct — whereas, in a way you're reflecting much more sense of curiosity, as a former senior public servant, in how this has occurred.

Where do you see the real pluses that seem to have come through in quite staggering ways?

Gordon de Brouwer

I think there has been a really wonderful agility in how the services — and this is both the Commonwealth and the state and territory services — have responded... like, for example, moving people.

So for the Commonwealth with Services Australia, with people lodging for unemployment benefits, the work was done within 5 weeks what normally takes a year. There were 2,500 public servants who moved to do the call centres and other things in order to support that. So really quick off the ground adjustment.

And in the states as well I see really rapid adjustment in how to provide, how to teach, how to provide education, the range of health services, the range of community and justice services, and using digital means to make sure that those services were maintained and the wellbeing and welfare of people was also maintained.

So pretty extraordinary. And the workforce — people having to work from home and how quickly they adjusted to that. And we're still... we're talking about coming out of that but we've still got blended models. But that very rapid adjustment...

Then the nature of the economic and the health responses — really quickly developed and that's built off a lot of insight and expertise. And it's also built off a strategic capability of thinking not just what's happening now, but what are the next three or four steps, and what are the consequences of doing an intervention — like JobKeeper — and what do they mean for the nature of labour market dynamics and how far do you run this? How far do you... when there's a lot of uncertainty you really need to lean in to provide certainty and take out that risk.

And that's just not the next step, it's the step after that and the step after that. So that is strategic.

So I think it revealed a lot of capability and flexibility. And the really wonderful thing to celebrate that... people have been really well served by the range of public services around.

Geraldine Doogue

Well indeed. I mean — and I think there were 2,500 people moved around basically, moved into different jobs than they would have imagined for themselves. And so... that is an agility that is really very impressive.

Tom I wonder what you see about — I'd like to move on to that question of the digital use and whether this has emerged — the

digital transformation and whether that is happening fast enough in the public sector because I think that was very much a part of the Thodey Review as well.

Has there been enough investment in that?

Tom Burton

There's certainly been a lot of investment. We've put you know, somewhere around \$10 billion a year into digital transformation across the country. So there's a lot of money flowing there.

Most of it's into technology systems... as opposed to the broader sort of you know digital transformation, but...

Probably a couple of things.

Australia has good government, there's no doubt about that. You know, when you look at all the benchmarks across the world... we're right up there. We've got a good history of good government, and the pandemic's a good reminder of that.

But it's... digital virtualises everything and you know, government is just a set of rules at the end of the day [inaudible]. An so rules are just ready-made to be codified and, you know, made into digital delivery and... So the public sector's having this big moment...

You know in the media we've been living with digital for a long time but right at the moment I think we're in the middle of a storm, and you've got a lot of analogue and old thinking and old ways of doing things that have to be transformed...

Geraldine Doogue

In the public service?

Tom Burton

Yeah... And I think Gordon makes the point, and you made, 2,500 people move but you know that's in a public service of 150,000. Well I say 2,500, that's great but really? That's not such a big deal you know. They were just told to move and turn on a new computer.

Now that is a bit of rile but it wasn't that spectacular.

So agility is one thing but I think it's this sort of ability to see where the public sector goes, you know 40 percent of jobs I think in Gordon's report said will be automated... over the next 10 years... So a lot of those process jobs will disappear.

A lot of decision-making will end up being in algorithms — that is the way government works — and we'll see AI and those sort of things really come to fore.

AI's really good at reading old case files for example. So if you're in family and community services, and someone comes in with a problem you can check what, you know, 'How did my previous people deal with that problem?'. And so AI's really good.

I'm just using those as examples... and the public service has not really embraced the true use of digital — it's digitising the cow-path, it's making the old cow-path a bit more modern, but we're not seeing any radical change.

You know the rules are basically the same... Regulation's a good space there — you know most regulations can be turned into electronic rules, and so we don't have to have big regulators standing around trying to work out whether an NBN contract turned up on time, we'll just know they turned up on time.

And so that sort of big change is yet to happen.

Geraldine Doogue

Yeah... I mean Gordon de Brouwer, this digital capability, or digital confidence — a very interesting little phrase 'digital confidence'. I think it emerged from a very interesting recent report put together by a group of previously very senior public servants.

And this — the public service review by David Thodey — did mention this. Now you were on that panel as I said. What's your take? Was it abundantly clear then that the public service wasn't keeping up with the digital world?

And there's another phrase which I find interesting, an 'authorising culture' — that is in the public service which may not be quite to the same extent, you could argue, it is in the private sector.

All of this is affected isn't it by a true digital world?

Gordon de Brouwer

Absolutely. And I think before the pandemic...

Now I think in the Thodey Review, what we said was, the underinvestment in public sector technology and IT and capability

was a profound failure and... one of the few failures actually in public administration, I mean a serious one.

But the pandemic has really, I think, shifted these and the opportunities. People have seen just the power of big data that Tom talked about.

And it's almost live data.

And it's not just a small sample of part of the population: it's almost the whole population and almost in real-time.

So you can understand what's going on in the economy, what's going on with people's health, their mental health, all those things.

And it's led to a realisation that you can do something about it.

And this has then created a more strategic spending and expenditure in technology.

And a real focus then on the... authorising people to use data. And I think that's most really clearly shown that the establishment of what are called 'professions'...

Geraldine Doogue Ah yes. I was going to ask you about that.

Gordon de Brouwer Yeah. There are three new professions. One's in HR, which is people mainly...

Geraldine Doogue So this is within the public service? This is a whole new venture?

Gordon de Brouwer Yeah, that's right. And it's within the Commonwealth public service, but you can see similar things occurring in the state public services as well.

On this one — there's one on data which is led by David Gruen who runs the ABS, and on digital by Randall Brugead from the Digital Transformation Agency.

They're really a profound leaning in on capability within the federal public service and they do that in a number of ways.

They're recruiting people — so there's a special focus on graduate recruitment of people who are interested in data or digital or HR.

And then there's a very focused development on building the existing set of skills within the service on these things. And a lot of that's by moving people around, by intensive courses and training as well.

So there's, I think there's been a real recognition. Very different from before the pandemic. The pandemic has led to this recognition that these things that Tom talked about — which are radically transforming — are really important and you need to work with other people and train people on that. So I think there's a game-shifter.

Geraldine Doogue

Yeah. And I might add, the third profession is human relations, people management, how to — thank goodness! — how to think about your workforce planning etcetera.

Look... go on... yes Tom.

Tom Burton

I was just going to say, I think on the digital-data piece — all what Gordon says there is correct there, and we're seeing movement there — but if you stand back from it: the Health data piece is just woeful.

The connection between GP's and hospitals for example — someone turns up at a hospital and you can't even work out which doctor they've been to.

During the pandemic the data piece on Health has just been, you know, amateur-hour, and it still is frankly.

And so we're talking about it and we're making... good moves to bring in new people but there is a problem at the top you know.

And if you look at the CVs of secretaries in Canberra — I'm not saying this critically, I'm just making this observation — you know they're all people like me. They've been to G8 unis, they've done Law, they've done Liberal Arts and things like that. And we get a certain type of person who comes in like that, and really what you're looking for in my mind are engineers and system thinkers and people who can really think in big terms you know.

Because the big thing about digital — and you know they just announced yesterday that Stuart Robert's going to take a role as

leading the DTA — he's going to be essentially the Digital Tsar for the Commonwealth.

News South Wales has just announced Victor Dominello being the Cabinet Minister for Digital.

Governments are realising it has to come from the top. You know the top is what drives these things and lot of digital world it's about combining things together...

If we want to offer a service when someone's baby's born and we need to bring together all the government agencies around that — all that has to be brought together in whole-of-government thinking. And so how that gets driven — has to be driven at Cabinet level.

So I think there's a big issue about the political piece... We need digitally literate ministers and we need digitally literate Cabinets to then allow the public sector to organise itself around that piece.

Geraldine Doogue

Look I've just got about a minute to go, or two minutes maybe.

We haven't spoken about consultancies at all...

Because the bipartisan group who put together the report of former public servants were pretty scathing about the trend to use consultancies, because they said it robbed this really crucial, intangible about strategic thinking. That it meant losing internal expertise.

So just a quick remark from you on that Tom and then I'll give Gordon the final word.

Tom Burton

Look I think it's a bit overstated frankly, you know I think governments always used outsiders to give them advice and you know the days of John Stone and others where you know there was a sort of monopoly on advice by the public service is long gone.

Don Russell who used to work for Paul Keating wrote about this the other day and his observation is: you earn the respect of your ministers by delivering good policy outcomes to them, and you know, good policy recommendations.

I think that's where the harder issue you know. I think there's a lack of confidence at the senior level of public service that's sort of pervaded for quite a while, and this confusion of citizen noise and social media — I think the senior end of public service really struggle to work within that frame.

So I think that's where I'd be putting the energy in.

Geraldine Doogue And Gordon?

Gordon de Brouwer Yeah, I tend to agree with Tom.

There is an issue.

The key thing is how do you use consultants? And is it part of information and knowledge sharing rather than just coming in and doing a job and then it's gone.

So I think it can be a tool to build up capability. And it should be used in that term, in that way.

I think on the...

The real problem is... part of that's with the contractors. That's a good short-term device but often, frankly, contractors are more expensive and they're really just designed to avoid the APS level, or the numbers cap, and that's really inefficient.

Geraldine Doogue Alright. Well no doubt I will be swamped — public servants replying to me.

Thank you both very much indeed for all of those really sort of carefully considered insights.

Gordon de Brouwer and Tom Burton, thank you very much.

Tom Burton Thanks Geraldine.

Gordon de Brouwer Thank you Geraldine.

Geraldine Doogue Gordon de Brouwer, a former senior public servant.

Tom Burton, Government Editor with the Australian Financial Review.