**Response to David Thodey’s Speech to ACT IPAA, 7 November 2018**

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In the brief discussion following Mr Thodey’s speech, I questioned his intention to focus on ‘big ideas’ and his view that to have fifty recommendations would be a sign of failure. The following comments expand on the question I raised.

In my view, the success of the Coombs Royal Commission, and to the later Reid review, were that they provided evidence-rich analysis leading to specific recommendations which the later Hawke Government and its Minister for Finance (John Dawkins, who was also responsible for the APS) were able to address directly and, for the most part, endorse and implement (based in large part on the structured processes involving ministers and senior officials that both the Fraser and Hawke Governments established to examine the recommendations from the two reviews). A key weakness of the Moran Review, on the other hand, was its lack of detailed analysis and its emphasis on a broad ‘blueprint’ that was too easily forgotten or ignored; some of the few specific recommendations which were pursued led to questionable results such as the revised APS Values (memorable but lacking adequate meaning) and the creation of the secretaries board (in many ways a step back from the Management Advisory Committee).

Seeking responses by public servants, stakeholders and the public to the five characteristics (or ‘aspirations’ as Mr Thodey referred to them in the speech) runs the risk of repeating the failures of the Moran Review’s approach. It is likely only to generate superficial discussion, not meaningful engagement which needs proper data and analysis, and specific suggestions for change. The *vox pop* approach contrasts with New Zealand’s issuing of a substantial discussion paper for considered responses (which I note the APS Review has chosen to circulate despite the lack of any Australian equivalent).

I am not sure the five chosen ‘characteristics’ provide a logical framework for the Review’s deliberations against its terms of reference, and I note they do not seem to encompass explicitly some key issues such as merit and accountability or fairness; but my primary concern at present is the failure to provide serious analysis of the problems each is intended to address, or analysis of the options for change and the directions being considered by the Review. With this in mind, let me identify some of the issues that should be addressed under each, including in each case matters Mr Thodey himself referred to.

1. **A strong APS, united in collective endeavour.**
   * It is the APS Values that define the institution that is the APS and its ‘collective endeavour’. As set out in my original submission, they need to provide clarity about its unique characteristics, distinct from those of the political arm of the executive, those in the legislative arm and those in the judicial arm (as well as those not in government). A new simple statement above the Values without addressing the Values themselves will only exacerbate the rhetorical flourish introduced in 2013.
   * What is meant by ‘strong’? For example, does the Review believe in strengthening the application of the merit principle and returning it the list of core APS Values? Or is the Review referring to the degree of independence of the APS?
   * Regarding the ‘collective endeavour’, is it true that the APS is particularly stove-piped and poor at across-government action? A strength of the Australian system of government has been its cabinet and budget processes and its coordinating departments – some have expressed concern at the excessive role of the centre.
   * What balance is needed between centralisation and devolution?
   * What specific changes will be proposed re the roles of the central agencies, including in particular the respective roles of PM&C and the APSC as leaders of the APS, and the respective roles of Finance and Treasury?
   * What principles (such as those in the UK Haldane Report) should guide machinery of government arrangements, and is there a case for more stability to support organisational capability and strong relationships with stakeholders and the community?
2. **World-class in policy, regulation and delivery**
   * What is meant by ‘world class? Is there a trade-off against the acceptable cost of the APS?
   * Capability reviews have suggested weakness in strategic policy advising. Is this due to excessive reliance on consultants, or too firm pressure from ministers and advisers for short-term tactical advice, or from insufficient resources, or a combination of these?
   * What specific measures might improve policy capability?
   * Recent inquiries suggest regulators are sometimes insufficiently independent, and/or inadequately resourced. What is the Review’s assessment, and what specific measures will be proposed?
   * Where is service delivery falling below world-class, and why? What structures, processes are required(eg the use of statutory authorities or other non-departmental agencies), and what skills?
   * What is known about the skills of the APS, and their career and development paths today, and the paths needed for future capability? Should these vary with the functions involved (eg between service delivery, policy, regulation, research)?
   * Is the APS too inward-looking? What might address this? What has been learned from previous attempts to address this?
   * What measures might lead to more experimentation, more systematic evaluation, and less risk-averse behaviour?
3. **An employer of choice**
   * What is the evidence of the APS’s competitiveness for the best and the brightest, and for particular in-demand skills and experience? What can the APSC reveal from its data about recruitment at different levels and about career paths. Do (and should) career paths vary with functions and agencies?
   * What is overseas experience about the level of education of civil service employees expected today and into the future, and whether that should be gained prior to recruitment or supported during (APS) employment?
   * How should remuneration be set by an employer of choice? Who should set it?
   * What mix of ongoing, non-ongoing and contract workers is consistent with being an employer of choice?
   * Will a more porous APS dilute its capacity to offer unique opportunities to serve the nation and its people (reducing the ‘psychic income’ from ‘public service motivation’)?
   * What incentives are most effective to retain skills and experience – ongoing training and development, appropriate financial rewards, other?
   * What are the implications for funding agencies’ administrative expenses?
4. **A trusted and respected partner**
   * This encompasses a wide range of important issues, and needs to be linked to the APS Values (under the first characteristic) which define how the APS relates in particular to the parliament, ministers and the public).
   * Should the relationship between the APS and the parliament be changed for any category of APS functions eg should the relationship be strengthened for agencies with ‘integrity functions’?
   * What is the appropriate relationship with ministers and their advisers? Can their respective roles be better defined, and specific measures introduced that reinforce the role of a ‘strong APS’?
   * What degree of independence is appropriate for different functions?
   * How should secretaries, the APS Commissioner, statutory authority heads and board members, and other agency heads, be appointed and what tenure is appropriate?
   * How might relationships with states and territories be improved? What was learned from COAG trials, coordinated care trials and other experience?
   * How might place management coordination be improved? What was learned from the work of the Coombs Royal Commission and subsequent experience? What is the evidence from Health work on regional primary health networks and hospital networks? Or from recent ‘city deals’ and regional development activity?
   * What functions are best managed within the APS and what might be reasonably contracted out to NGOs or private business? What measures could be put in place to allow the public to be confident that APS Values will apply, either through contracts and partnership agreements, or by APS management directly?
   * What are the conditions for trusted and respected partnerships with academia?
   * What is the legitimate way for the APS to engage with the public? How might this complement the representative role of ministers and the parliament? Are there any implications for the FOI Act or other administrative law, or the APS approach towards meeting its responsibilities under these laws?
   * How far might ‘citizens-centred services’ be taken? What framework of financial and other accountability is required within which choice might be allowed? What has been learned so far from the NDIS and from employment services reforms?
5. **Have dynamic, digital and adaptive systems and structures**
   * Are specific strategies required to adopt the emerging new technologies, and can the APS learn from previous cycles of technology change (eg 1960s and 1980s)?
   * What are the lessons from previous attempts to centralise control of IT and other corporate services?
   * What can be learned from overseas experience and developments, including in the US?
   * Are there implications for machinery of government (also see (1) above)?
   * What mix of technical and ‘soft’ skills are needed for successful adoption of new technologies?
   * How should risk be managed? Are there known successful strategies for risk management in the adoption of emerging technologies?

It is nigh impossible to see how an adequate exploration of these five characteristics or aspirations could be conducted without leading to a significant number of specific recommendations. Left as just ‘big ideas’ they risk being no more than empty rhetoric, easily ignored even if formally endorsed.

If the Review lacks the time or resources to properly address the above list of issues, it would be better to select a number and study them properly than to provide general statements of aspirations or good intentions across the five as a whole.

I have touched on most of the above specific issues in my original submission. I had hoped the Review might explore most of them in some detail and publish some preliminary findings, allowing me and others to respond in a more substantial way. I remain hopeful that this will occur.

Andrew Podger

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