

Independent Review of the Australian Public Service

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Submission to the Independent Review of the Australian Public Service (APS)

Thank you for the opportunity to contribute to the review the APS. The review of the APS is timely and welcome, and we hope that the broadness of the terms of reference allow the panel to consider the fundamental settings for the APS, and this is where we have focused our attention.

About Anglicare Australia

Anglicare Australia is a network of over 40 independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. With a joint budget of \$1.48 billion, a workforce of over 18,000 staff and more than 11,000 volunteers, the Anglicare Network contributes to more than 50 service areas in the community. Our services are delivered to more than one million Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas.

Our contributions below are based on our lengthy collective experience of working with and in the APS and they focus on the core functions of the service. We have a strong appreciation of the value and importance of the APS. Here we offer critical reflections because our experience is both in the strong positive outcomes that are achieved when the APS is able to act at its best. However, we have also observed the severe harm to significant numbers of people in our community as a consequence of in particular poor understanding of, evaluation and response to risk by the APS.

We would welcome the opportunity to meet with the Review team and discuss our reflections in detail.

Rebalancing the role and purpose of the APS

The following points outline some key challenges we see facing the APS, and is then followed by some possible solutions.

Loss of independence

In our experience the independence of the APS has been corroded over time by a blurring of the line between the role of the service and the role of elected politicians and their staff. "Serving the government of the day" has come to override the other key functions of the public service (providing critical advice to government, and delivering services and other functions of the state) in a way that stops many public servants from listening to or engaging with a neutral perspective with evidence which may be contrary to their Minister's or the government's position. Within this context it is also important to look critically at the changes and removal of protections for public service whistle-blowers, and attempts to curtail the rights of public servants to express views contrary to the government of the day in any public sphere.

Together, these factors create a culture of defensiveness that impedes the ability of the APS to engage with the community, provide frank and fearless evidence-based advice to government, or to evaluate and learn from iterations of policy development and implementation.

For example, it is now incredibly rare to ever hear a public servant express that they are convinced by evidence presented by external stakeholders, or undertake to present that evidence to their Minister. Instead, Departments have routinely become a hollow vehicle for views, rather than active participants in their core role of providing advice. Further, advice is not always presented transparently for fear that it may embarrass the government of the day or lead to reprisals. It is now the norm that other than close scrutiny of Senate Estimates or the use of Freedom of Information, the role of providing frank and fearless advice to government by the APS is thoroughly opaque. This damages the ability of both the APS and civil society to work together for better policy development and outcomes, and instead restricts the APS to an auxiliary function within the adversarial parliamentary system.

The identification and treatment of risk

A related impact of the above is a culture within much of the APS that only assesses risk in terms of the potential embarrassment to a Minister or government, or the Department itself. This results in inappropriate risk aversion at times. For example, there is a reluctance to trial new approaches to policy implementation, or small-scale investment in simple place-based initiatives. More concerning, it also results in a lack of proper risk assessment and planning for some large-scale decisions in order to please a Minister (the ANAO report on the Green Loans Scheme here is instructional) or address broader political imperatives without considering severe negative societal consequences (for example, cutting back on minimum access to childcare for the most vulnerable and at risk children). The latter is often exacerbated by the APS attempting to move at a speed that is inappropriate to the task at hand in order to meet political deadlines, rather than feeling empowered to explain that delivery of programs may not be feasible in the desired timeframe. Both of these approaches to risk result in unnecessary costs and missed opportunities.

Being forced to “think like a business”

It is our observation that successive governments have increasingly expected the APS to reform and learn from the private sector, and to treat the latter as inherently more innovative and effective. This has resulted in the adoption of cultures and practices that are at odds with acting as a public service, because the starting point – that the role of bureaucracies and businesses in society are fundamentally different – has been lost sight of.

One example is the adoption of efficiency as a goal in its own right. This is an ineffective and often deeply misleading measure of the delivery of quality services to the Australian public, particularly as it has often been accompanied by a lack of proper identification of desired program outcomes for the people receiving the services, or program logic and evaluation that reflects these outcomes. The result of efficiency being pursued in its own right is often perverse outcomes – one obvious example is the automation of Centrelink debt notifications. It might be enormously efficient to use software to automate the identification of potential debts to Centrelink and send letters en masse, but the outcomes in terms of costs and return to society have seen severe unintended consequences for the APS and the people immediately affected. In this case, there is a real possibility that the APS is acting illegally.

The adoption of competition and marketization as the pre-eminent method for delivering an increasing number of public services has also created an internal cultural conflict for the APS. It is at once expected to effectively create a market from a position of monopsony, and simultaneously act as an effective regulator of that market for the delivery of often vital services that will decide the quality of life for the Australian people. For example, this is increasingly the case in aged care and disability care.

This approach has also driven the pursuit of competition over effective service delivery. For example, we are aware of the Department of Jobs and Small Business expressing concerns about the effectiveness of a publicly funded program that gave long-term unemployed people positions in aged and disability care because the placements were seen to be offering an 'unfair market advantage'. This preoccupation flies in the face of the core goal of that Department, to assist as many Australians as possible into work, and is particularly ironic given the participants were *disadvantaged* jobseekers. The findings of the Senate Inquiry into the Department of Social Services attempt in 2013-14 to introduce aggressive competition into the grants they administer is also instructive.

Loss of expertise and the valuing of long-term knowledge

The valuing and building of expertise within the APS needs to be restored. In our experience there has been a significant loss of expertise affecting both the quality of advice to government, and the ability to oversee technical aspects of Departmental work, such as commissioning and evaluating program outcomes. This has been compounded by the lack of job stability, leading to frequent staff turnover, loss of relationships, as well as departmental knowledge and expertise. The Review team may find the Productivity Commission report on the Not-for –Profit Sector useful with particular reference to their findings on the interactions between the Sector and government.

We desperately need to build an APS with specialist knowledge of the issues they are legislating, advising on and administering. Managerialism does not work. For example, the new grants process in DSS results in departmental staff without the relevant particular program expertise in charge of assessment. In our experience this results in additional costs and administrative burden both to the Department and providers.

Similarly, while it is highly desirable to have all Departments in the APS encompassing a diversity of policy experience and views in their staff, this should not preclude the recruitment and training of policy experts. Yet it is all-too common to find a key program or policy development area being led by someone without any specialist policy knowledge pertinent to the task, nor to have such experts present in their team. The result is a constant reinventing without innovating, a failure to know how to identify and draw on relevant expertise from academia and civil society, and an inability to identify and share knowledge across Departments.

There is also a need to build specific capacity and expertise within the APS to run cross-departmental and multi-disciplinary projects for more holistic approaches to complex problems. Despite long being recognised as a need, the instruments binding Departments to their Ministers and budgets still causes unproductive turf wars and siloing that prevents systems thinking, design and implementation. For example despite four decades of advocacy from the community sector and experts, we still lack the holistic mental health and drug and alcohol rehabilitation support.

Some thoughts on solutions

The purpose and role of the APS, separate from both parliament and the private sector, must be re-asserted. This should include steps to ensure it is empowered to rebuild a culture of public service beyond being at the behest of the government of the day, and being seen as an imperfect poorer cousin to the private sector. Investigation of contracting cycles for Departmental Secretaries separate from political cycles may be of value, as well as reforming recent legislation and policy that has looked to curtail the independence of the APS.

The APS needs to be empowered to develop long-term commissioning and program logic separate from political electoral cycles if it is to achieve better outcomes with public money. This would also assist Departments to invest properly in risk assessment and responses, and return to valuing and fostering policy and program delivery expertise, including the ability to better identify and work across Departments. We commend to the Review the Productivity Commission's recent report on competition and contestability in human services with reference to the need for seven year default contracts and the development of better commissioning processes as valuable perspective from one part of the APS and the positive impact longer term contracts could achieve.

The APS needs better safeguards against arbitrary caps on staff numbers and the imposition of efficiency dividends and cuts that demonstrably prevent it from being able to do its legislated job. For example, the National Disability Insurance Agency had its staff numbers capped at approximately half of what was recommended for the implementation of the National Disability Insurance Scheme; Centrelink is by most sensible measures failing to meet its own service standards due to successive staff cuts; and the section of the Department of Environment in charge of administering the law protecting threatened species has been reduced by more than two thirds. Each of these examples raise a serious question about the conflict between departmental responsibilities and political will where those responsibilities remain unchanged.

Perhaps the ability for the Departmental Secretary to be able to seek an independent review by the ANAO or similar body of its ability to deliver legislated outcomes could be considered as a failsafe against such situations.

Above all, it is imperative that the APS is empowered to think beyond the parliament and properly investigate, advise on, and act with regard to risks where there are severe negative consequences for people in our community.

We appreciate this opportunity to contribute to the review the APS. Should you require any further information, please do not hesitate to contact me at imogen.ebsworth@anglicare.asn.au.

Yours sincerely



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