

Mr David Thodey
Chair, Panel
Independent Review of the APS

31 July 2018

Dear Mr Thodey

RE: Submission to the Independent Review of the APS

The Australian Risk Policy Institute

The Australian Risk Policy Institute (ARPI) is a non-political and not-for-profit organisation formed in 2008 to promote and encourage greater focus on risk policy in leadership, decision-making, management and policy across all sectors in Australia and indeed globally.

ARPI's network is predicated on promoting risk policy development in the public interest. Membership of ARPI is by invitation. All are senior professionals drawn from many different disciplines; including extensive policy, governance, regulation, legal and leadership expertise in Australia and overseas.

ARPI considers the quality of leadership, strategic policy capacity, innovation and effectiveness of the Australian Public Service (APS) will be critical in serving Australian society and making a positive global contribution into the future.

The horizon of the Review to 2030 is a useful lens for consideration of the capabilities, mindsets and leadership needed for the APS to be effective in its mission over the coming decade and beyond.

The Independent Review of the APS is an important activity and ARPI is pleased to contribute to this process through this initial submission and sharing with the Panel the ARPI 'Risk Policy Model' (attached).

Context

The urgency for change is fundamental – it now arises because we are more interconnected and interdependent than at any time in our recorded history. This makes us vulnerable to the systems we have designed. When a system fails all connected to it are affected. This means that some people may suffer potentially catastrophic consequences. Program failures have been known to cause leaders and governments to fall unexpectedly.

In the increasingly turbulent and unpredictable world, there must be policies and methodologies that enable businesses and governments to become more resilient and equipped to act in the face of uncertainty.

For Australia to strategically and successfully navigate the rapidly changing regional and global challenges will require an APS that is fit for purpose.

Risk Policy Model

ARPI has developed a model for risk policy development and implementation that elevates the ownership of risk to the highest level of governance and decision making. It is applicable to all public and private organisations and to the APS.

Risk policy confers coherence, an integrated comprehension of risks, their identification and their consequences, as well as articulating who is responsible for attending to each activity around risk. Risk Policy authorises, informs, defines, drives, builds, maintains and accounts for the processes of Risk Governance and Risk Management within an organisation and in all systems.



+61 408 481 220



tony.charge@arpi.org.au



[@arpiriskpolicy](https://twitter.com/arpiriskpolicy)



Tony Charge

Resilience means reducing vulnerability so that our systems are better able to deal with increased pressures from sudden shocks and the inevitable challenges from our interconnectedness and interdependence as well as our scientific and technological advances. Resilience also means being able to make the most of opportunities which can arrive just as unexpectedly and which are often missed as a result.

ARPI is dedicated to assisting leaders to make systems more resilient through the development of sound Risk Policy, Risk Governance and Risk Management.

New Times Require New Thinking

A new and wider perspective on risk is required to address current challenges and systemic risks. Not an approach that simply seeks to manage risks through a compliance lens and populate siloed risk registers, and often transfers risk to those players within systems least able and equipped to deal with it. But, to strategically explore the vulnerabilities we are facing - to identify opportunities and effectively consider and address risks through collaborative networks of shared interest.

Risk Policy thus encourages paradigm change by leaders to consider potential risks earlier through exploring vulnerability. Resulting in earlier notice, better protection and outcomes.

The APS needs to be prepared to question the adequacy of current policies and risk management processes and identify what needs to be done to correct deficiencies by deepening our thinking about the very notion of risk and how risk occurs in our modern systems. We need to be prepared to accept deep change in the manner by which risks are identified, and brought under management. And critically, we need effective, high quality leadership prepared to get out front and do something.

We need to create an APS that has the right leadership, strategic capacity, resourcing and culture to genuinely innovate and draw upon human creativity and networks to identify vulnerabilities early, foresee future opportunities and risks, and take action today.

The Risk Policy Model is Australian thinking applied to a global network and will enhance consideration and responses to the key driving forces and challenges that are shaping our contemporary world.

ARPI seeks and looks forward to further opportunities to engage with, and inform, the Independent Panel and Secretariat as the Review progresses.

Yours sincerely

Tony Charge JQ FARPI FIML
President and Chairman



+61 408 481 220



tony.charge@arpi.org.au



[@arpiriskpolicy](https://twitter.com/arpiriskpolicy)



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