

Submission to the Independent Review of the Australian Public Service

This Submission attempts to capture the most critical issues facing the Australian Public Service (APS) today and provide the Panel with options for action that aim to both modernise and improve the Service.

Not all elements of the Scope of the Review are addressed in this Submission. It identifies issues that the Panel may wish to reflect on or pursue and propositions that the Panel may wish to consider.

The Submission frames its comments around Public Value, Technology, APS Classification Framework and Skills and Expertise. In doing so, it addresses the Review's considerations of the suitability of the APS's architecture and governing legislation, how the APS monitors and measures performance and how it ensures the transparent and most effective use of taxpayers' money in delivering outcomes to be addressed in some measure.

It is a sad indictment of the APS that the content and propositions in this Submission are not new. Most, if not all, of the frameworks and propositions put forward in this Submission exist. But they are ignored, misunderstood, misinterpreted (with intent or by unconsciously) or merely given lip service, to the detriment of the efficient and effective operation and professionalism of the APS.

Public Value

Maintaining Public Value should underpin all activities of the APS.

Public Value provides the basis for Government policies and programs. It is informed by consideration of the rights, benefits, and prerogatives to which citizens should and should not be entitled, as well as the obligations of citizens to society, the state and one another.¹ Unlike the private sector, Public Value is not profit-driven. (There are extensive writings on Public Value by Mark Moore and colleagues associated with the Kennedy School of Government at Harvard.)

The expanded engagement of contractors and consultants is undermining Public Value in policy development and program administration. Private sector firms must have a focus on profit, including opportunities for future work and building and maintaining relationships with other entities that may lead to future revenues. It is undeniable that these focuses will be a factor in any work undertaken by private sector enterprises undertaking government work.

Additionally, it can be argued that the use of contractors is leading to a lessening of knowledge, experience and capability in the APS when the Government of the day wishes to adjust, cease or implement new policies and programs. Without knowledge and experience in the APS, together with an environment that welcomes ideas and contributions, sub-optimal solutions will result. This can only impact negatively on government budgets, citizens and other stakeholders.

However, seeking advice from experts and stakeholders outside of the APS is essential for good policy and program development and review. The advice, even if it may be contrary to the views of the APS or the Government of the day, should be genuinely considered in final decisions. Engagement with stakeholders should be a requirement for all policy and program development and review activities.

Proposition 1: Public Value should underpin all government policies, programs and activities.

Proposition 2: The reasons for new and changed policies and programs, together with their objectives, costs and target audiences should be clearly stated and available to all Australians on the Australian Government website.

Proposition 3: Significantly reduce the existing level of engagement of contractors and consultants, particularly in areas of policy and program development and review.

Proposition 4: Require that advice be sought from experts and stakeholders outside of the APS in all policy and program development and review processes.

There are too many rules in the APS. Some are legislative based, but many are various shades of “grey-regulation”. Often these grey regulations are responses to failures of processes or procedures in the workplace. Too often, they are reactions to the action of a single person or a small group and. In reality, the new grey-regulations affect large cohorts, when more localised action would have been more appropriate.

Proposition 5: Review and, where appropriate, remove unnecessary grey letter regulation in every department and agency.

Technology

Until the 1980's, the activities and operations of the APS were based on three pillars: legislation, people and finances.

The rapid advancement of technology (often referred to as *information and communication technology*) has disrupted these traditional pillars and made it possible to transform the operations of government.

Technology has become the fourth pillar of the APS.

This Fourth Pillar has either been not recognised by, or has been too confronting for, APS leaders and Governments to actively develop new thinking. In fact, APS leaders (Secretaries and Senior Executive Service officers) have tended to step back and let ‘technologists’ take the lead in the adoption of technology in government.

It is time for the business needs (policies, practices and processes) of government to drive technology development to improve effectiveness and efficiency. To achieve this, officers responsible for government business processes need to understand what technology can deliver. Similarly, technologists need to understand the business needs of government. Too often, these necessary complementary attributes have been absent in key technology and government business decisions.

A sceptical view of this failure could be that too many APS leaders want little or no change as maintaining the status quo cannot lead to criticism from the range of stakeholders who look to discredit the APS, particularly where some degree of failure may result. These stakeholders include Governments, ministers, Oppositions, senate estimates and other parliamentary inquiry members, the Australian National Audit Office and, not least, the media.

Proposition 6: Modernise the APS architecture and governing legislation to recognise the ubiquitous underpinning of technology in APS operations.

Proposition 7: Implement strategies to ensure that value is delivered to the APS in its technology investment.

Such strategies could include:

- a) keep control of technology strategy – don't leave it to private sector contractors and consultants who do not have Public Value as an underpinning reason for being (rather profit underpins their operations).
- b) When introducing new technology, existing processes need to be reviewed and adjusted appropriately to ensure that the desired value is being delivered. Similarly, when introducing new processes and practices, the existing technology must be reviewed and adjusted appropriately.
- c) Don't let existing technology simply slip into obsolescence – plant and equipment and capital are maintained and replaced: technology is no different.
- d) Don't be brand driven or technology specific.
- e) Don't duplicate development.
- f) Most common processes, for which departments and agencies presently have different systems, can be reused or shared. Minor departures from common practice are sub-optimal and costly. Stop government organisations from implementing organisation-specific processes. If it is a well-founded process that can be used by other agencies, consider making it a common process that is available to all organisations.
- g) Don't be at the bleeding edge of technology but be among the leading users of technology.

Often long-established procedures and practices need to be adjusted, replaced or removed to gain efficiency and effectiveness. However, there appears to be a wariness to change and embracing innovation in the APS.

There should be a priority to implement mechanisms to encourage and reward innovation and ameliorate its inherent risks. Secretaries should be responsible for embracing innovation.

In particular, priority should be given to improving the sources and use of data to better inform decisions. Data is a key input to good policy and program decision making. Also, greater use of contemporary visualisation capabilities is likely to assist the decision makers understand the options available and their impacts.

Proposition 8: Encourage innovation and implement strategies to improve (or remove) existing practices and operations in the APS supported by technology.

APS Classification Framework

Many commentators argue that the APS classification profile is inflated and overblown. Reference to the latest published APSC 2016-17 *State of the Service Report* indicates that over 45 per cent of non-Senior Executive Service staff are in the top three levels (APS 6, EL1 and EL2) categories of the nine-category classification framework. This does appear overblown.

Also, this classification profile is likely to be even higher in policy and program departments and agencies as service-delivery organisations tend to have lower classifications structures.

The March 2014 Report of the Commission of Audit, *Towards Responsible Government*, noted this top-heavy structure and made a series of recommendations to improve organisational structures in agencies. At its core, were recommendations to widen spans of control in organisational structures. This work should be

In policy and program departments and agencies section, branch and division structures increasingly are becoming smaller. It is not unusual for a section to comprise of only 3 or 4 officers and for there to be only two or three sections in a branch. This should change. Such small structures can, among other things:

- Leave the organisation exposed where officers are on approved leave or positions are vacated.
- Narrow the responsibilities and, as a consequence, the ability of officers to learn new skills and information.
- This also risks narrowing perspectives when tasks are undertaken, potentially leading to sub-optimal outcomes.
- Too often result in a deficit of workload because of the narrowness of responsibility.
- With this, there tends to be a reluctance to share work or knowledge with colleagues in other areas for fear of losing workload.

Experience demonstrates that busy people, undertaking important and challenging work are significantly happier in the workforce than people with low workloads.

Proposition 9: Review and implement management structures and spans of control that lead to a reduction in the number of APS 6, EL1 and EL2 and broadening of work responsibilities.

Skills and Expertise

Staff development and training appears to have become fractured and a low priority. This is having a negative impact across the board on the APS. It is leading, among other things, to:

- Lack of communication and respect between departments and agencies.
- Lack of a whole-of-government ethos, including shared visions and objectives and understanding Public Value.
- Poor management practices as officers move up the classification structure and consequential breakdowns of working relationships within work areas, leading to heightened stress and grievance actions.

Some staff development and training coursework has been replaced by mentoring and networking activities. These need to be treated with caution as mentoring and networking can lead to nepotism and group think, whether by design or accident.

Also, the graduate recruitment program has been operating for over two decades. It is the primary base-grade recruitment mechanism for policy and program departments and agencies. (Service delivery agencies, such as the Department of Human Services or the Australian Border Force, also use other recruitment channels for much of its service delivery staff recruitment.)

Even after this time, graduates are told that they are special. This is no longer the case. Graduates are the APS's base-grade recruitment stream. Their entry development and training should recognise this and existing commitments to automatic promotion in the first year should be discontinued.

Further, equity, diversity and fairness programs in the APS should be reviewed. Many of these programs have been in place for decades. The objectives have been achieved and concepts of equity, diversity and fairness are now ingrained in APS operations. Training in people management and leadership, addressed above, should incorporate these concepts.

Additionally, in the APS hierarchy officers are expected to implement the decisions of their supervisors, unless they are not lawful. In this case, they should report the decision to the relevant authority.

APS officers work for the Government of the day. Officers can contribute with various degrees of influence, often related to their classification or recognised expertise, to policy and program development. However, if their views are not accepted, officers are expected to implement the Government's decisions to the best of their abilities, even if they do not agree with them. With the easing up of entry and egress into and out of the APS, officers who cannot accept the authority of the Government of the day should find employment outside of the APS.

Ultimately, the APS should provide a platform for learning good process and procedures, as well as being able to contribute innovative ideas to new policies and on-going operations of government. Staff development and training should focus on enabling these outcomes, in terms of both giving and receiving.

Proposition 10: Review the existing staff development and training framework to improve the APS (as a whole) ethos and capability.

ⁱCreating Public Value, Strategic Management in Government, Mark H. Moore, March 1997