



H.C. "Nugget" Coombs in 1973, who led the Royal Commission on Government Administration.



Sue Vardon AO was largely responsible for the implementation of the Commonwealth Services Delivery Agency Act 1997.



Jane Halton AO led the border control taskforce in 2002.



Former Secretary of the Department of the Prime Minister and Cabinet, Terry Moran, who chaired the *Ahead of the Game* inquiry.

*Photo: Melissa Adams*

# AUSTRALIAN PUBLIC SERVICE REFORM:

*Learning from the past and  
building for the future*



Submission to the Department of  
the Prime Minister and Cabinet  
Independent Review of the Australian Public Service

Prepared by Professor Mark Evans  
with a foreword by IPAA National President,  
Professor Peter Shergold AC



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## ABOUT

### THE INSTITUTE OF PUBLIC ADMINISTRATION AUSTRALIA

The Institute of Public Administration Australia (IPAA) is a professional body focused on the promotion of excellence and professionalism in public administration. We are a non-profit and non-partisan organisation that works in partnership with the public sector, the private sector, academia and other institutions, to provide a platform for debate and discussion about improving and striving for excellence in public administration in Australia.

IPAA was established in South Australia in 1927 and since 1985 has had divisions in each state and territory.

IPAA's strategic direction is set by an IPAA National Council — with representatives from each IPAA division — supported by a National Secretariat.

As part of its commitment to the study and practice of public administration, public management and policy making in Australia, IPAA has produced the quarterly *Australian Journal of Public Administration* since 1976. IPAA also delivers a national conference — including the Garran Oration — and manages the prestigious National Fellows Awards that recognises IPAA members who have made an outstanding contribution to the practice and study of public administration.



## ACKNOWLEDGEMENTS

We are extremely fortunate to have the opportunity to make this submission to the Independent Review of the Australian Public Service (APS) at this point in the history of the service. If the proceedings of the 2017 IPAA National Conference *Thinking Differently Building Trust* are broadly representative of the current mood of the service, then we may have reached a tipping point in Australian public administration. There is a distinct sense of the need for renewal occurring; a recognition that this is a time for change tempered by acceptance that much work is needed to break through APS cultural barriers, to do public service production differently and to reconnect with Australian citizens.

We are very grateful for the support of a number of collaborators who helped us to define some of the key challenges confronting the APS, and identify some building blocks for its reform.

Firstly, to our team Lorna Evans, Dr Max Halupka and Nilima Mathai for responding so effectively to an extremely tight schedule; particular thanks are due to Max for allowing us to access his graphic and survey design skills.

Secondly, we must also thank our expert panel who provided such a balanced and objective perspective on the issues under study. Particular thanks are due here to Lynelle Briggs AO, Meredith Edwards AM, John Halligan, and Ann Sherry AO for allowing us to de-anonymise their contribution to our survey and to Professor Peter Shergold AC for his unique insights.

And thirdly, special thanks must also be conveyed to the IPAA team – Drew Baker, Carmel McGregor, Sue Regan and particularly Frank Exon for their supportive work in producing this IPAA brief.

As always, the interpretation of data in the analysis which follows, remains the sole responsibility of the lead investigator.

Professor Mark Evans  
24 July 2018

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**PROFESSOR PETER SHERGOLD AC**

## FOREWORD

*Australian Public Service Reform: Learning from the past and building for the future* is a contribution to the Independent Review of the Australian Public Service by the Institute of Public Administration Australia (IPAA).

As National President of IPAA I recently wrote an article for the Australian Financial Review (23rd May 2018) welcoming the Review as an opportunity to spur much needed modernisation of the APS. My concern was whether the chance would be seized “to imagine how the APS can be transformed, not to weaken its influence for public good but rather to reinvigorate its traditional virtues in a manner suited to the 2020s.” This paper helps to increase the likelihood of the Review achieving that goal. It pulls together the collective wisdom of a diverse array of former public servants who have intimate, first-hand knowledge and experience of the various review processes of the Australian Public Service (APS) spanning the past four decades.

I would like to express my deep thanks to Professor Mark Evans — Director of the Institute for Governance and Policy Analysis at the University of Canberra — and his team, who have analysed and synthesised the responses of eighteen former public servants to four pivotal questions:

1. Are there particular ingredients of a high-quality APS review that make a difference to the outcome?
2. What past reviews have mattered and why? And, which reviews have been the most significant in terms of the negative impact on APS practices?
3. What are the key lessons that can be drawn from past review processes for the 2018 APS Review?
4. What key themes require focused consideration in the 2018–19 APS Review and are fundamental to building an APS for the future?

In addition, I would like to thank Lynelle Briggs AO, Meredith Edwards AM, John Halligan, and Ann Sherry AO who have generously provided personal vignettes. These help to enrich the paper’s major themes and findings.

I hope this contribution by IPAA assists the members of the Independent Panel in their deliberations and in time, leads to the successful transformation of the APS so that it can continue making a difference for all Australians well into the future.

Professor Peter Shergold AC  
IPAA National President  
30 July 2018

## EXECUTIVE SUMMARY

This briefing paper has been developed as a contribution from IPAA to the Independent Review of the Australian Public Service (APS) led by Davis Thodey AO. It aims to help bridge a significant gap in the existing evidence base on APS reform – the absence of informed analysis on: 1) criteria for judging the quality of a review drawing on historical experience; 2) understanding of past reviews that have made a difference; 3) identification of the lessons that can be drawn from past review experiences for the present review; and 4), expert insights into the key themes requiring focused consideration in the 2018–19 APS Review with the objective of building an APS for the future.

The paper draws on the expertise and experience of a panel of 18 leading Australian experts on APS review processes including former senior members of the public service, community and private sector leaders and academics. The key findings follow.

### JUDGING THE QUALITY OF A REVIEW PROCESS

Members of our expert group noted that the ingredients of a high-quality APS review — and by implication the key criteria for evaluating the 2018 APS Review — would rest on whether:

- it has a clear purpose and strong political (41 per cent of the expert group) and APS (24 per cent) support;
- it has forward-looking and clearly articulated terms of reference (29 per cent);
- it is presided over by an expert (35 per cent), independent (24 per cent) panel;
- recommendations are underpinned by a high quality evidence-base (77 per cent);
- recommendations are implemented and subject to ongoing monitoring and evaluation (47 per cent); and,
- its consultation and engagement processes with the APS and its stakeholders are sensitive and effective (41 per cent).

It remains to be seen whether the 2018–19 APS Review lives up to these criteria but the evidence so far suggests that the Review has clear and forward-looking terms of reference, strong APS and political support and possesses an expert independent panel (albeit with some very familiar faces). However, the 2018–19 APS Review will need to build a robust evidence-base to support its findings, implement the findings and track the implementation process. Moreover, it will also need to develop a sensitive stakeholder engagement process to ensure that its recommendations win the hearts and minds of the key agents of change; the APS itself.

## REVIEWS THAT MATTERED

Three types of APS review can be observed from the expert group responses<sup>1</sup>: *history making reviews* that introduce new service-wide missions that impact directly on all aspects of the APS workplan; *ideological reviews* which can be no less impactful but are largely politically driven rather than evidence-based and can be a barrier to institutional development; and, *process reviews* involving the introduction of new internal procedures, and policies for affecting continuous improvement.

The 1974-76 Coombs Royal Commission on Australian Government Administration is deemed to be the most influential “history-making” review by our expert panel (74 per cent). However, on closer inspection we find that much of the work of Herbert “Nugget” Coombs and his colleagues was not implemented for quite some time. While it met most of the criteria identified for a high-quality APS review, it did not have the political buy-in necessary to affect an immediate culture shift in the dominant norms and values of the APS. As a result, most of his proposals were addressed incrementally over a thirty-year period in subsequent reviews, reflective of the stop-go cycles in APS reform. The consequence of this gradual and lengthy implementation has been that Coombs’ proposals have assumed an almost divine presence in the APS symbolizing a vision for a new public service.

Members of our expert group also highlight the importance of the 1983 Reid Review (24 per cent), the 1986 Hawke Reforms (35 per cent), the *Prime Minister and Cabinet (Miscellaneous Provisions) Act 1994* (24 per cent), and, the 1995 Report of the Public Service Act Review Group (47 per cent). What did these reviews have in common? In most instances, they combined a sound evidence-base with strong APS and political support.

Members of our expert group observed that the post Coombs history of APS reviews has been punctuated with the incursion of what one expert termed “ideology-based reviews” such as the 1996 and 2013 National Commissions of Audit. However, the 2013 Commission of Audit led by Tony Shepherd did have very significant implications for the APS as it led to the introduction of the Contestability (Functional and Efficiency) Reviews which have given rise to the launch of grants hubs and shared services. As one expert put it “it’s probably the most significant of recent reforms, though much of it is ideological folly”. A different expert noted that the reviews were not just about outsourcing but about “rediscovering old APS work as core business (e.g. business processing, co-design, cost-benefit, and evaluation)”.

Single issue process reviews such as the 2003 *Uhrig Review*, the 2008 *Gershon Review* and the 2009 *Government 2.0 Taskforce* were viewed by many of the respondents to be important in terms of impacting specific APS practices but have had less impact on the broader organisational culture. Three exceptions were identified in this regard: the *Charter of Budget Honesty Act 1998* and the *Public Governance*,

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1. Please note that Mark Evans, the main author of this briefing paper, is responsible for this interpretation of the qualitative findings.

*Performance and Accountability Act 2013* introduced a number of changes which have had far reaching implications for APS financial management and reporting service wide. And the third exception is the *1997 Commonwealth Services Delivery Agency Act* which led to the creation of Centrelink and the establishment of the concept of the “one-stop shop”, alongside on-line tax receipt, the APS’s most emulated reform internationally (see: Evans, 2004<sup>9</sup> and Halligan and Wills, 2008).

It is noteworthy that with the exception of the ideological reviews, the most impactful and legitimate review processes tend to be consistent with the criteria identified by our expert group.

## TEN LESSONS FROM PAST REVIEW PROCESSES

Members of our expert panel highlight ten key lessons that we can draw from past review processes. These largely correspond with the criteria presented above.

- Lesson 1: The review should have a clearly articulated vision and purpose
- Lesson 2: The review process should have strong political support and political-bureaucratic strategic alignment
- Lesson 3: The review process should have strong APS support
- Lesson 4: The review should contain clear and actionable terms of reference
- Lesson 5: The review should be forward-looking
- Lesson 6: The review panel should be independent and expert
- Lesson 7: The review should include respectful consultation and engagement processes
- Lesson 8: Panel recommendations should be evidence-based
- Lesson 9: Recommendations should be systematically monitored and evaluated
- Lesson 10: The review should focus on identifying and celebrating APS strengths as well as identifying and reflecting on its weaknesses.

Given the centrality of Lesson 2 — *the review process should have strong political support and strategic alignment* — we would encourage the panel to seek cross-partisan support in appropriate areas to ensure continuity across governments following the New Zealand model. This will ensure continuity in the application of recommendations across the electoral cycle in apolitical areas of concern (e.g. APS Workforce Planning).

The panel is also encouraged to consider the importance of Lesson 8 — *Panel recommendations should be evidence-based*. Some practical ways for this lesson to be incorporated in the review include: 1) undertaking an evaluation of APS reforms since 1992 (when the last evaluation took place) to ensure the 2018–19 APS Review and subsequent review processes are supported by a robust evidence base; and 2) undertaking a systematic review of appropriate international benchmarks and expertise.

Our analysis has identified several consistent and reoccurring themes of investigation in reviews since 1976. These include: the need for better citizen engagement, managerial skills, an open public service, flexible and agile institutions, responsive service delivery, and equal representation of women on public boards and committees. Why these themes continue to require attention should be a key component of the evaluation.

The following quotation from a member of our expert group provides an insightful synthesis of the above findings:

“The degree of independence is important but depends on the nature of the review. The Productivity Commission approach is a gold standard: clear terms of reference and purpose; an independent expert panel; production of a Discussion paper to focus public submissions; a draft report to test findings and support a second round of submissions; and a set of final recommendations that are carefully monitored and evaluated over time.”

## EXPERT VIEWS ON THE PRIORITY THEMES FOR THE 2018-19 APS REVIEW

Members of our expert panel also identify five building blocks for an APS of the future:

- address challenges to Westminster fundamentals, restore the independence and authority of the APS within the Australian federal system of government and develop the courageous leadership and multi-disciplinary workforce that has the capacity to meet 21<sup>st</sup> century challenges;
- redesign APS institutions so that they are fit for the future with the twin aim of achieving “line of sight” (strategic alignment) between policy, programs and services and their impact on the Australian community, and promoting collaborative whole of government behaviours;
- bridge the capability deficit in the APS by building a diverse and inclusive, citizen-centred, digitally literate workforce for the future which is led with integrity and communicates with influence;
- change performance management settings so that they focus on outcomes and are geared towards benefitting the community; and,
- drawing on the enhanced capacity generated by these interventions, bridge the trust deficit with Australian citizens by 1) communicating with authority and influence; 2) ensuring that citizens are central to policy, program and service design creation; and 3) authentically engaging with all government jurisdictions, the business and community sectors — not just the usual suspects.

It is evident from the observations made by members of our expert panel that they believe that the Independent Review of the Australian Public Service should be bold in its vision, long-term in its thinking, and authentic in its design. As Lynelle Briggs AO puts it:

*“Business as usual will not do. We need a fundamental review of the APS to ensure that we have a public service that is fit for the future. Not a review around the edges. I would like David Thodey and his team to visualise what an APS for the future should look like, and what needs to change to make it happen.”*



## 1. SIGHTING SHOTS

According to international rankings, the APS is performing extremely well. Australia is ranked third in the most recent International Civil Service Effectiveness Index (see Box 1)<sup>2</sup>, second in the Euromonitor's 2017 Digital Connectivity Index<sup>3</sup> (due to comparatively high levels of technological investment and consumer adoption) and, for four out of six Worldwide Governance Indicators<sup>4</sup>, tenth for *voice and accountability*, ninth for *political stability*, seventh for *regulatory quality*, and seventh for *control of corruption*. In addition, the OECD's *Government at a Glance 2017* observes that:

- Australia is among the leading OECD countries in the ex post evaluation of regulations;
- we have one of the highest standards in open government data;
- senior managers in central government in Australia are very well paid compared to other OECD countries;
- women are well represented in the APS workforce as a whole compared to the OECD average (58 per cent as compared with 53 per cent) and in senior positions (37 per cent as compared with 32 per cent); and,
- public satisfaction with public services is also above the OECD average (45 per cent as compared with 42 per cent).<sup>5</sup>

Despite these promising international rankings there is compelling local evidence of the increasing disconnect between government and citizen reflected in a decade of decline of democratic satisfaction (from 86 per cent in 2007 to 42 per cent in 2017), declining trust in politicians, political parties and other

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2. Retrieved 9 July 2018 from: <https://www.instituteforgovernment.org.uk/publications/international-civil-service-effectiveness-incise-index-2017>.

3. Retrieved 9 July 2018 from: [http://go.euromonitor.com/white-paper-dc-2018-digital-consumer-index-relaunch.html?utm\\_campaign=WP-171031-SB-Digital%20Consumer%20Index&utm\\_medium=PR&utm\\_source=Partner&utm\\_content=ANZ%20Bluenotes](http://go.euromonitor.com/white-paper-dc-2018-digital-consumer-index-relaunch.html?utm_campaign=WP-171031-SB-Digital%20Consumer%20Index&utm_medium=PR&utm_source=Partner&utm_content=ANZ%20Bluenotes).

4. Retrieved 9 July 2018 from: <http://info.worldbank.org/governance/wgi/#home>.

5. Retrieved 24 July 2018 from: <https://www.oecd.org/gov/oecd-gov-at-a-glance-2017-australia.pdf>.

key political institutions (only 5 per cent exhibit strong confidence) and lack of public confidence in the capacity of governments — of whatever ideology — to address public policy concerns. Indeed, only half of Australians are “very confident” or “somewhat confident” in the ability of government to perform its core tasks.<sup>6</sup>

These trends are in keeping with the international evidence (see Evans and Stoker, 2016). The 2017 Edelman Trust Barometer reports that trust in government has further declined around the world. Government is now distrusted in 75 per cent of countries. But what is peculiar about the Australian case is that it has occurred in the wake of 25 years of economic growth. As the IPAA National President Peter Shergold observes, the disconnection of government from citizen and citizen from government is potentially a major source of social and political instability even more so when it has emerged, in contrast to New Zealand or the United Kingdom, in times of affluence. This observation is also in keeping with the views of the majority of IPAA 2017 national conference delegates (55 per cent) who believe that political partisanship and instability is the most significant factor affecting trust in the government and the public service.

In short, declining public trust in government provides the APS with a burning platform to engage in renewal. It is therefore timely that the Prime Minister has commissioned a major review to help build an APS for the future that:

- drives innovation and productivity in the economy
- delivers high-quality policy advice, regulatory oversight, programs and services
- tackles complex challenges in collaboration with the community, business and citizens
- ensures our domestic, foreign, trade and security interests are coordinated and well managed
- improves citizens’ experience of government and delivers fair outcomes for them, and
- acquires and maintains the necessary skills and expertise to fulfil its responsibilities.

An evaluation of APS review processes and corresponding reforms has not been undertaken since the 1992 Task Force on Management Improvement produced its report, *The Australian Public Service Reformed: An evaluation of a decade of management reform*. As a result, informed analysis of past review experiences, and the lessons that can be drawn from those experiences for the current review, has been limited.

IPAA seeks to contribute to the review process by bridging this significant gap in our understanding of APS reform to date.

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6. Evans, M., Halupka, M. and Stoker, G. (2017), [How Australians Imagine their Democracy: the Power of Us](#), Canberra, IGPA/MoAD.

## Box 1. Top 10 countries in terms of civil service effectiveness

1. Canada
2. New Zealand
3. *Australia*
4. United Kingdom
5. Finland
6. Sweden
7. Estonia
8. Norway
9. Korea (Republic of)
10. United States of America

The report assesses civil service effectiveness based on what the civil service delivers and how the functions are delivered.

Each of the 31 countries was scored on overall effectiveness, and on a more specific breakdown that included: tax administration, inclusiveness, capabilities, openness, integrity, HR management, crisis/risk management, regulation, fiscal and financial management, digital service, social security administration and policy making.

Source: The 2017 International Civil Service Effectiveness Index

## PURPOSE

This IPAA briefing paper seeks to bridge a significant gap in our understanding of APS reform: the absence of a robust evidence base on what has worked and what hasn't worked in the past. It draws on qualitative findings from a Delphi analysis which we conducted with eighteen former members of the Commonwealth Senior Executive Service (SES) and leading academics involved in APS review processes since the 1974–76 Coombs Royal Commission on Australian Government Administration.

We asked the expert group four sets of questions:

1. Are there particular ingredients of a high-quality APS review that make a difference to the outcome?
2. What past reviews have mattered and why, and which reviews have been the most significant in terms of their negative impact on APS practices?
3. What are the key lessons that can be drawn from past review processes for the 2018 APS Review?
4. Which key themes require focused consideration in the 2018–19 APS Review and are fundamental to building an APS for the future?

## METHOD

The Delphi method is a pragmatic research method created in the 1950s by researchers at the RAND Corporation to generate practical research to improve decision-making (Stoker and Evans, eds., 2016). It has been widely used to guide better practice in policy making, organisational decision making, and professional and clinical practice (see: Alexander, 2004; Brady et al., 2014; Fletcher et al., 2014). The Delphi method is not concerned with having a representative or generalised sample but instead seeks to engage a purposive sample of individuals with specific expertise on a topic. It is used to examine underlying assumptions or data leading to particular interventions and identify better practices. Delphi is also a useful method for eliminating negative impacts of “face-to-face” or group discussions (Hsu and Sandford, 2007) such as the mobilisation of bias, as participants do not interact directly with one another. Through email and telephone interviews questions are posed to an expert group for their comment.

Our Delphi expert group comprised eighteen individuals that collectively possess expertise in the key professional areas of the public service – policy, program management and service delivery and corporate services including human resources management, strategic communication, public finance and ICT. The majority of participants have held positions at the level of Departmental Secretary. In addition, the group included five participants with expertise from the private and community sectors at a senior leadership level and subject expert academics. All have acted in an APS reviewing capacity.

A full list of the thirty distinguished participants invited to participate in this research project is presented in Appendix 1. Given the anonymised nature of this qualitative survey we are not able to ascertain which of the thirty participated beyond those who were willing to be attributed to the vignettes included in this paper. The survey participation rate was 60 per cent.

## THE STRUCTURE OF THE BRIEF

[THE KEY FINDINGS](#) that follow are presented in four sections which correspond with the four research questions:

[PART 2](#) highlights the ingredients of a high-quality APS review;

[PART 3](#) pinpoints past reviews which have had the most positive and negative impacts on APS practice;

[PART 4](#) presents the key lessons that can be drawn from past review processes for the 2018–19 APS Review; and

[PART 5](#) identifies the key themes requiring focused consideration in the 2018–19 APS Review.

[PART 6](#) then presents an overview of our key findings and evaluates their implications for building an APS for the future.

It is important to note that the “warts and all” perspectives that follow are the individual views of members of our expert group and are not the formal views of IPAA.

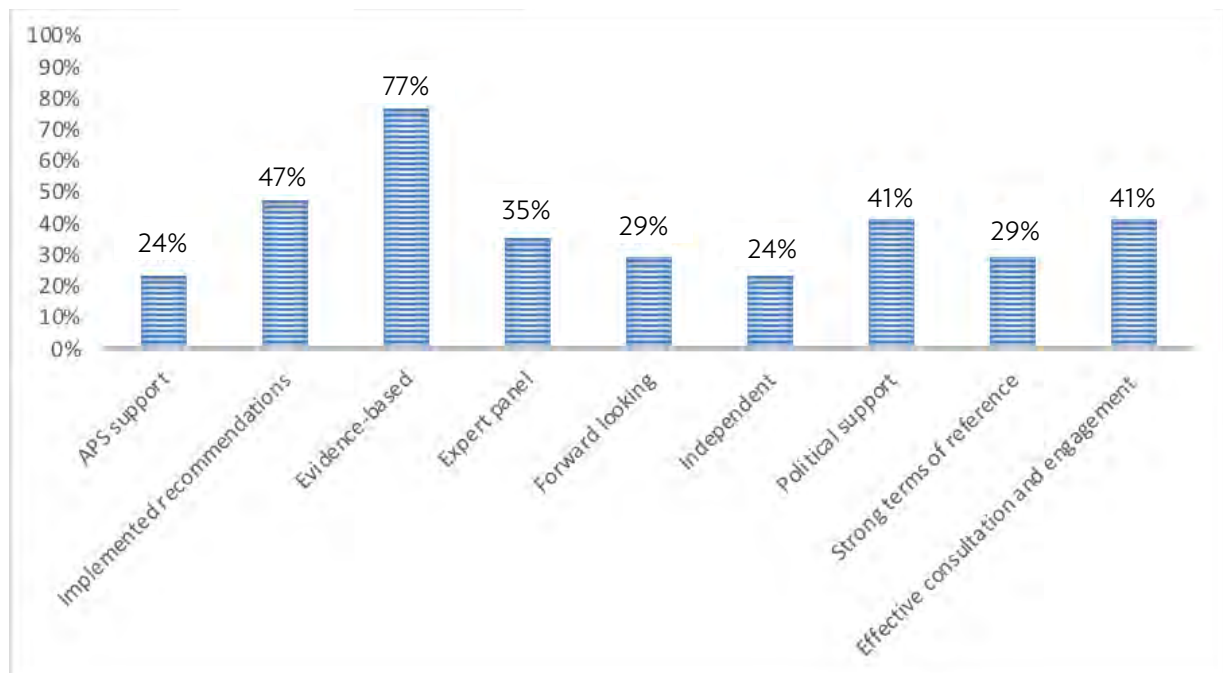


## 2. JUDGING THE QUALITY OF A REVIEW PROCESS

What are the ingredients of a high-quality APS review? Chart 1 lists those criteria supported by more than 20 per cent of the expert panel. At this stage of the 2018–19 APS Review process four of the key criteria appear to have been met: the review has clear and forward-looking terms of reference, strong APS and political support and possesses an expert independent panel (albeit with some very familiar faces).

However, what remains unknown is whether the review will build a robust evidence-base to support its findings and track the implementation process or not. Moreover, it will also need to develop a sensitive stakeholder engagement process to ensure that its recommendations win the hearts and minds of the key agents of change; the APS itself.

Chart 1. The key ingredients of a high-quality APS review



**WHAT ARE THE KEY LESSONS THAT YOU WOULD DRAW FROM YOUR INVOLVEMENT IN PAST REVIEW PROCESSES?**

*Past reviews have in the main hit on the right issues. Most public servants will be able to tell you what the key problems are. The key challenge is how do you implement large-scale change in an APS world of distributed power? This is a world where agencies are allowed to go their own way and do their own thing. Fundamental change of this kind cannot be an opt-in process. The Secretary of PM and C needs to cut through the vested interests, identify the big levers of change and insist that it happens.*

*There is this weird disconnect between how the public thinks about these issues and how government thinks. Take the issue of personal data. Most members of the public expect to transact with government agencies as simply as possible and preferably on-line. They want to give their information once and cannot understand why they get repeated requests for the same information across the service system. They expect and deserve one point of truth. At the moment we don't have the structures of enablement to make this happen and this comes down to the lack of trust in the system. We cannot expect citizens to trust us if we don't trust each other.*

**WHAT BIG IDEA WOULD YOU LIKE TO SEE EMERGING FROM THE 2018 APS REVIEW?**

*The APS has a huge competitive advantage when it comes to recruiting talent; there are many people out there that are excited by the idea of public service and are driven by a sense of social purpose. But once again agencies have their own bespoke graduate program which leads to fragmentation, the siloing of expertise and the inability to diffuse talent across the APS. Let's have one centrally coordinated graduate program which recruits, maintains and nurtures the best and the brightest public servants service-wide.*

*It all comes down to whether the APS is serious about implementation and willing to put real grunt into solutions.*

### 3. REVIEWS THAT MATTERED

Three types of APS review can be observed from the expert group responses<sup>7</sup>: *history making reviews* that introduce new service-wide missions that impact directly on all aspects of the APS workplan; *ideological reviews* which can be no less impactful but are largely politically driven rather than evidence-based and can be a barrier to institutional development; and, *process reviews* involving the introduction of new internal procedures, and policies for affecting continuous improvement.

A complete list of APS review processes since 1976 referenced by our expert group is presented in Appendix 2.

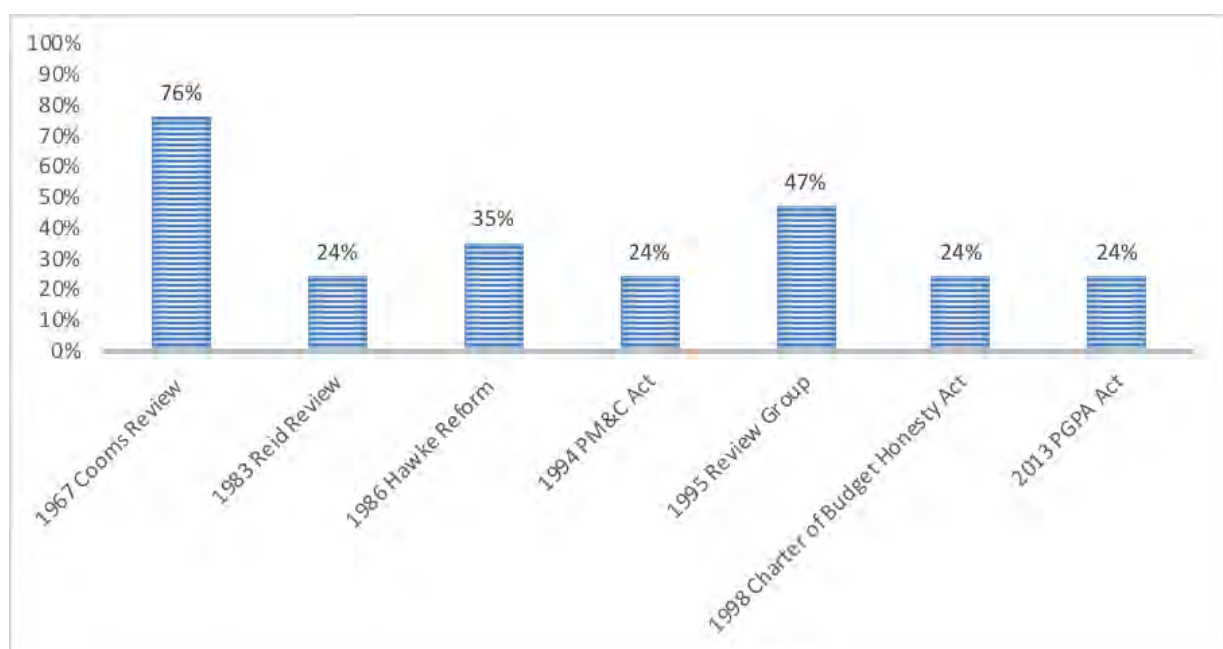
#### **History-making reviews**

We asked our expert panel to identify past reviews that have made the most significant contribution to the institutional development of the APS (see Chart 2). The 1974–76 Coombs Royal Commission on Australian Government Administration is deemed to be the most influential review by our expert panel (74 per cent). As two experts put it:

“It was a fundamental review of the public service and laid the foundations for the APS as we know it.”

“It has had enduring relevance. Whilst we are still re-prosecuting many of the arguments, the challenges are still pertinent.”

Chart 2. APS reviews that mattered



7. Please note that Mark Evans, the main author of this briefing paper, is responsible for this interpretation of the qualitative findings.

The Coombs Commission proposed: greater accountability for public servants; mechanisms to improve the relationship between officials and the community; the need for managerial skills; the need for more efficient and responsive service delivery; and devolution of responsibility, as well as greater flexibility and diversity in organisational styles; more efficient and economic use of human resources; and, a more open public service (see Nethercote, 2014). However, on closer inspection we have found that much of the work of Herbert “Nugget” Coombs and his colleagues was not implemented for some time. While it met most of this paper’s criteria for a high-quality APS review, it did not have the political buy-in necessary to affect an immediate culture shift in the dominant norms and values of the APS. As a result, most of his proposals were addressed incrementally over a thirty-year period in subsequent reviews, reflective of the stop-go cycles in APS reform. The consequence of this gradual and lengthy implementation has been that Coombs’ proposals have assumed almost divine status in the APS, symbolizing a vision for a new public service.

Members of our expert group also highlighted the importance of the 1983 Reid Review (24 per cent), the 1986 Hawke Reforms (35 per cent), the *Prime Minister and Cabinet (Miscellaneous Provisions) Act 1994* (24 per cent), and the 1995 Report of the Public Service Act Review Group (47 per cent). What did these reviews have in common? In most instances, they combined a sound evidence-base with strong APS and political support:

“[The Reid Review] ...had impact and set agendas leading to the introduction of quality management including financial and personnel management and the creation of the SES.”

“[The Hawke reforms] ...had political support and was acted upon and [t]here was a high level of participation by senior public servants from around the APS in contributing to the development of programs of efficiency.”

“[The 1995 Report of the Public Service Act Review Group] ...had a good panel, used a discussion paper to attract focused responses, worked with public servants who were fully engaged in the process and modernised the system with political support.”

The most recent dedicated APS Review was led by Terry Moran, Secretary of the Department of the Prime Minister and Cabinet. The 2010 Reform of Australian Government Administration (or *Ahead of the Game* as it became known) identified four key problems: loss of public service capability in the Howard Years; the need to recruit the best and the brightest to bridge the capability deficit; and, the need for greater organisational agility and enhanced strategic policy capability. It proposed: restructuring and augmenting the role of the Australian Public Service Commission; revising employment arrangements for Departmental Secretaries; reviewing the size and role of the SES; revising and embedding the APS Values; periodic reviews of agency institutional capabilities; and, reviewing existing efficiency mechanisms within the APS such as the efficiency dividend.

A raft of reforms followed such as the establishment of capability reviews, the creation of the APS 200 (a talent management strategy), the launch of the National Institute of Public Policy and the Design Centre at the ANU. The most lasting reform from *Ahead of the Game* proved to be the capability reviews. The other reforms either fizzled out within 24 months or fell foul to a change in government. Although *Ahead of the Game* had a strong panel, it received the strongest critique from our expert panel:

“It was the least evidence-based of the major reviews.”

“There has been no evaluation of its achievements or otherwise”.

“Some of the assumptions underpinning the key proposals (e.g. lack of strategic policy capability) were hotly contested within the Secretaries Board”.

“It largely ignored the asset stripping of APS capability which had occurred over the previous decade”.

### **Ideological reviews**

The post Coombs history of APS reviews has been punctuated by incursions of what some members of our expert panel termed “ideology-based reviews” such as the 1996 and 2013 National Commissions of Audit.

“[The 1996 Commission of Audit] ...wasn’t bad for a new government needing to re-prioritise spending. It had quite a good secretariat that seemed to be listened to. But it was not a suitable process for a fundamental review of the APS. It began the rot with outsourcing as the default ideological position.”

“[The 2013 Commission of Audit] ...was a dreadful, ideological document not a careful review”.

However, the 2013 Commission of Audit led by Tony Shepherd did have very significant implications for the APS as it led to the introduction of the Contestability (Functional and Efficiency) Reviews which have given rise to the launch of grants hubs and shared services. As one expert put it “it’s probably the most significant of recent reforms, though much of it is ideological folly”.

The Contestability (Functional and Efficiency) Reviews led by the Department of Finance were generally deemed to be both thorough and insightful (though some respondents felt they had been ideologically driven). They evaluated agency portfolios using three questions:

1. Do we need to do this? (Does it align with the core role of Commonwealth Government and forward priorities?)
2. How well do we do this? (Can it be done more efficiently and effectively?)
3. Are we best placed to deliver this? (Or can it be done better and cheaper by someone else?)

The Contestability Reviews centred on achieving systems, engagement and market improvements. They identified the need for greater cross government collaboration; the need to re-focus on core business; sub optimal spans of control; capability deficits in strategic policy development, digital data analysis and modelling capability; and the need for digital transformation and planning. It is noteworthy that the key lessons from the reviews were not purely about outsourcing but also about funding digital transformation adequately, using new forms of outcome driven measurement (public sector productivity), redesign and best value procurement, and “rediscovering old APS work as core business (e.g. business processing, co-design, cost-benefit, and evaluation)”.

The Government countered these ideological reviews through the creation of the Public Sector Modernisation Fund, the APS Productivity Measurement Agenda, the APS Framework for Optimal Management Structures, and now, the 2018 APS Review led by David Thodey AO.

### **Process reviews**

Single issue process reviews such as the 2003 *Uhrig Review*, the 2008 *Gershon Review* and the 2009 *Government 2.0 Taskforce* were seen by many respondents as important in terms of impacting specific APS practices but had less impact on broader organisational culture with three notable exceptions:

- The 1998 Charter of Budget Honesty Act, which was passed when Peter Costello was treasurer, introduced a number of changes which had far reaching implications for APS financial management.
  - o The Act provided a framework for conducting fiscal policy including the introduction of the Pre-election Economic and Fiscal Outlook, regular intergenerational reports, a medium-term fiscal strategy and a formal commitment to:

*...returning the budget to surplus by maintaining strong fiscal discipline, strengthening the Government's balance sheet and redirecting government spending to boost productivity and workforce participation (Budget Paper 1).*

- o It was particularly important in ensuring that new policy proposals were aligned to the Government's fiscal strategy.

- The second exception was the *Public Governance, Performance and Accountability Act 2013* which introduced a “principles-based framework for resource-management” across all Commonwealth entities requiring annual performance statements to be included in the entity’s annual report that is tabled in Parliament.
- And the third exception was the *Commonwealth Services Delivery Agency Act 1997* which led to the creation of Centrelink and the establishment of the concept of the “one-stop shop”, alongside on-line tax receipt, the APS’s most emulated reform internationally (see: Evans, 2004&9 and Halligan and Wills, 2008).

It is noteworthy that with the exception of the ideological reviews, the most impactful and legitimate review processes tend to be consistent with the criteria identified by our expert group.

**WHAT ARE THE KEY LESSONS THAT YOU WOULD DRAW FROM YOUR INVOLVEMENT IN PAST REVIEW PROCESSES?**

*It is really important that the Review is genuinely independent and not dominated by APS stakeholders. Since the Coombs Commission many reviews have been run to suit the Government or APS agenda of the day and have been conducted behind closed doors. The great thing about a Royal Commission is that you can't do that. You have to engage publicly and be prepared to ask the hard questions. The more the review panel engages publicly the better.*

**WHAT BIG IDEA WOULD YOU LIKE TO SEE EMERGING FROM THE 2018 APS REVIEW?**

*We are living in a different world today than in the times of Coombs. We are in the midst of a digital revolution. People are better educated and globally connected and have higher expectations of government than ever before. Business as usual will not do. We need a fundamental review of the APS to ensure that we have a public service that is fit for the future. Not a review around the edges. I would like David Thodey and his team to visualise what an APS for the future should look like, and what needs to change to make it happen.*

## 4. TEN LESSONS FROM PAST REVIEW PROCESSES

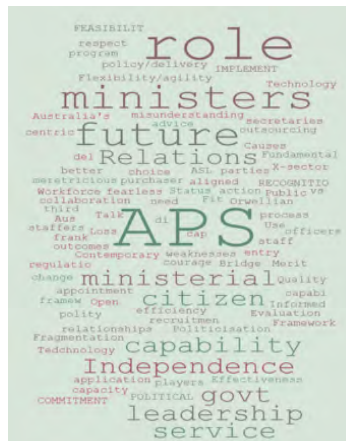


Figure 1. A word cloud derived from expert responses on lessons from past review processes

We asked our expert panel to identify the key lessons that they would draw from past review processes for the present review. Their responses, when organised around themes, largely correspond with the ingredients of a high-quality APS review identified in Part 1.

## Lesson 1: The review should have a clearly articulated vision and purpose

Reform without purpose can be costly, dispiriting, and often prone to negative consequences of action. Several respondents argue that a review should have a clearly articulated vision and purpose:

“The purpose of the 2018 APS review appears to be buried in the letter from the Secretaries Board – ‘The APS, like any organization, must adapt to change and strive for improvement. This review provides the opportunity for a thorough assessment of our long-term needs’. The rationale for change should be unapologetic, upfront and proud.”

“Too many reviews are self-serving. What we need is a review that recognises that the entire world has changed since Coombs and that we need a new institutional structure for the APS”.

## **Lesson 2: The review process should have strong political support and strategic alignment**

Political buy-in was generally identified by respondents as being essential to achieving real change. In the absence of a burning platform to affect disruptive change — such as an economic crisis, post-war settlement, natural disaster — risk aversion will always be the default public service response:

“Change is hard in the APS. Governments are not accountable for making sure the APS keeps pace with the world outside so there is little incentive to implement recommendations. The State/Federal disconnect also makes change for citizens hard to implement.”

“For this review to mean anything there must be political will to implement the recommendations”.

“Bi-partisan support should be negotiated in appropriate areas to ensure continuity across governments (e.g. APS Workforce Planning) following the New Zealand model.”

### **Lesson 3: The review process should have strong APS support**

A number of respondents argued that as the APS is the key agent of change, by implication the review process needs to win their hearts and minds:

“The importance of buy-in from those affected cannot be overstated.”

“Public servants need to be actively engaged and the support of Government (Ministers) garnered.”

“The purpose of proposed changes needs to be identified, argued, advocated and support garnered at senior levels.”

“Key recommendations should be aligned with SES performance agreements to ensure concerted action”.

### **Lesson 4: The review should contain clear and actionable terms of reference**

For reasons of public accountability, a respondent flagged that the review should contain clear and actionable terms of reference:

“The process must be credible, fit for purpose and seen to be so.”

### **Lesson 5: The review should be forward-looking**

The need to futureproof the APS was a strong theme identified by members of our expert panel:

“The Review has to provide an evidence-based vision for the future.”

“Most reviews are a waste of time and full of management speak rather than geared towards an ultimate objective of building an APS for the future.”

### **Lesson 6: The review panel should be independent and expert<sup>8</sup>**

Several respondents identified that a balance needs to be struck between internal and external expertise and independence:

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8. We welcome the recent announcement of a high powered international reference group to act as a “sounding board” for the review including current and former senior public servants from the United Kingdom, Canada, Singapore and New Zealand as well as former cabinet ministers.

“Including former members of the APS or “close friends” of the APS doesn’t suggest independence.”

“The panel should include a head of service from another Westminster system.”

“There needs to be an international lens on the review panel”.

“Experts should cover the bases in terms of where APS capability for the future needs to be built.”

### **Lesson 7: The review should include respectful consultation and engagement processes**

The development of a sensitive stakeholder engagement process is important to ensure that the hearts and minds of the key agents of change (the APS) are won:

“Consultation processes need to be handled properly. Giving people sufficient time to engage is fundamental.”

“I would initiate a second round of invited submissions on specific reform themes once they became known to improve the quality of the recommendations.”

“There is a need to engage effectively with the people/institutions being reviewed.”

### **Lesson 8: Panel recommendations should be evidence-based**

The production of a credible evidence base, to support review recommendations, was identified by the majority of respondents as the most important criteria governing the quality of a review process:

“Understanding why and how an issue is identified and analysed and implemented is critical.”

“Plain English, evidence based, recommendations are a starting point.”

“Every recommendation should include an evidence health certificate (following the Canadian model) demonstrating whether the recommendation fits or is a departure from conventional wisdom.”

### **Lesson 9: Recommendations should be systematically monitored and evaluated**

Respondents were generally of the view that past reviews have not been subject to adequate monitoring and evaluation processes. As a result there is very little evidence to determine what has and hasn’t worked:

“We don’t know; what we don’t know. We clearly have progressed but identifying what has made the difference requires a leap of faith.”

“Implementation should be monitored by PM and C and reported monthly to the Executive and Secretaries Board.

## **Lesson 10: The Review should focus on identifying and celebrating APS strengths as much as identifying and reflecting on its weaknesses**

By their very nature APS reviews focus on what isn't working but given the heady global ranking of the APS we clearly have much to be proud about. Consequently, the Review should focus not only identifying and reflecting on its weaknesses but also on identifying and celebrating APS strengths.

A member of our expert group captured the essence of these lessons learned from past reviews:

“The degree of independence is important but depends on the nature of the review. The Productivity Commission approach is a gold standard: clear terms of reference and purpose; an independent expert panel; production of a Discussion paper to focus public submissions; a draft report to test findings and support a second round of submissions; and a set of final recommendations that are carefully monitored and evaluated over time.”

Given the centrality of Lesson 2 — *the review process should have strong political support and strategic alignment* — we would encourage the panel to seek cross-partisan support in appropriate areas to ensure continuity across governments following the New Zealand model. This will ensure continuity in the application of recommendations across the electoral cycle in apolitical areas of concern (e.g. APS Workforce Planning).

The panel is also encouraged to consider the importance of Lesson 8 — *Panel recommendations should be evidence-based*. Some practical ways for this lesson to be incorporated in the review include: 1) undertaking an evaluation of APS reforms since 1992 (when the last evaluation took place) to ensure the 2018–19 APS Review and subsequent review processes are supported by a robust evidence base; and 2) undertaking a systematic review of appropriate international benchmarks and expertise.

Our analysis has identified several consistent and reoccurring themes of investigation in reviews since 1976. These include: the need for better citizen engagement, managerial skills, an open public service, flexible and agile institutions, responsive service delivery, and equal representation of women on public boards and committees. Why these themes continue to require attention should be a key component of the evaluation.

A portrait of Emeritus Professor John Halligan, an older man with glasses, wearing a light-colored shirt and a brown jacket. He is looking directly at the camera with a slight smile. The background is a blurred indoor setting with warm lighting.

## EMERITUS PROFESSOR JOHN HALLIGAN

Institute for Governance and Policy Analysis

### **WHAT ARE THE KEY LESSONS THAT YOU WOULD DRAW FROM YOUR INVOLVEMENT IN PAST REVIEW PROCESSES?**

*As a once in a generation opportunity, there is a need for a review that rises above technical adjustments to engage fundamental questions about the current functioning and future contribution of the APS. This should borrow selectively from the best international experience while demonstrating that Australia can again aspire for an international reputation for its public management. The review should produce credible analysis in support of creative and innovative recommendations and transcend party politics to avoid the present chronic polarisation affecting public policy in Australia.*

### **WHAT BIG IDEA WOULD YOU LIKE TO SEE EMERGING FROM THE 2018 APS REVIEW?**

*A public management system for the twenty-first century that is better balanced between the internal and external and politicians and bureaucrats, and which allows the public service proper scope to engage in public management and innovative practices without excessive risk aversion and over regulation.*

## 5. EXPERT VIEWS ON THE PRIORITY THEMES FOR THE 2018–19 APS REVIEW



Figure 2. A word cloud derived from expert responses on lessons for the 2018-18 APS Review

We asked members of our expert group to identify up to three key issues that they believed should be a focus of the 2018–19 APS Review. Their issues clustered around five themes: 1) challenges to Westminster fundamentals; 2) designing APS institutions for the future; 3) building a workforce for the future; 4) changes in performance management settings; and 5) bridging the public trust deficit.

### CHALLENGES TO WESTMINSTER FUNDAMENTALS

“It is difficult to see how the Westminster system can survive given the drift away from its core norms and values. Maybe that’s not all a bad thing. We need some reinvention but fundamentals need to be protected.”

These issues tend to be the thorniest as they crystallise around the view that the apolitical APS has been gradually politicised and this has eroded the independence of the service and its capacity to give frank and fearless advice. Examples include the political appointment of Departmental Secretaries, the end of the notion of permanent Secretaries, the bypassing of departmental advisory systems, and the growth in the size and influence of political offices and the role of political staffers. It is argued that these developments have undermined the status and role of the APS within the Australian federal system of government. In addition, new ideas such as contestability, digital first transformation, big data, and agile government are posing questions to the dominant policy-making elite who have — largely — been trained within the discipline of formal economics and are uneasy with the new ways of doing policy and service delivery.

Most of the respondents argued that the 2018–19 APS Review should identify ways to enhance the status and role of the APS within the Australian federal system of government. This requires reasserting its independence, improving its capacity to provide frank and fearless advice, and communicating with influence. It also requires “courageous leadership” and the development of a multi-disciplinary policy group that has the capacity to meet 21st century challenges.

## DESIGNING APS INSTITUTIONS FOR THE FUTURE

“There has hardly been any change to the institutional design of the APS since Coombs. Agencies remain hierarchical to the core”.

The second set of issues refer to questions of institutional design. These are posed as a series of questions. Does the hierarchical nature of APS agencies mitigate against the achievement of agile government and citizen centric policy-making? Will the increasing relocation of agencies outside Canberra undermine the strategic policy and regulatory capacity of Commonwealth government? Does the separation of policy from program management and service delivery undermine outcomes driven public service production and policy learning? Has this created a class system within the APS which is a barrier to change? The 2018–19 APS Review should identify ways to redesign APS institutions so that they are fit for the future achieving “line of sight” (or strategic alignment) between policy, programs and services and their impact on the Australian community on the one hand, and promoting collaborative whole of government behaviours on the other.

## BUILDING A WORKFORCE FOR THE FUTURE

“The most important thing is workforce, workforce, workforce! Your people are your past, present and future.”

The third set of issues identified by many respondents relate to workforce planning bottle-necks such as dealing with the perverse incentives created by the ASL cap, introducing open entry into the APS, challenging the myth of meritocracy and implementing authentic diversity policies from recruitment to career planning to ensure ongoing workforce participation.

In addition, many respondents flagged that upskilling of all public service professions is required across such areas as whole of government working, program and project redesign, digital applications appropriate to their work, strategic communications (as all public servants generate content for communication), financial literacy (particularly competitive costing models), data exploitation, management and analytics, and new productive and empowering team work methods.

An APS workforce for the future was seen by many to require enhanced capability in authentic citizen and stakeholder engagement (co-design, user design and co-production) as well as the ability to

embrace opportunities afforded by digital technology and the availability of richer data (big or small). This would also require an authentic “customer first” culture.

Managers were seen as key to ensuring organisational coherence and in supporting staff in times of rapid change and yet inconsistent managerial practices creating significant implementation gaps in change management strategies are common. The APS needs to create a high performing elite of supportive and adaptive managers.

The 2018–19 APS Review should focus on affecting the changes necessary to build people capability for a workforce for the future. For example, the introduction of market testing for grants hubs in 2021 will have significant implications for the way in which programs are managed and services delivered by the APS.

## CHANGES IN PERFORMANCE MANAGEMENT SETTINGS

“There are some really quite basic changes to policy and regulatory performance settings that are now quite commonplace in other jurisdictions but are resisted in the APS as if lives depend on it”.

These have been identified by our expert group as the need for greater focus on outcomes rather than process including better de/regulation, evaluation by default, the strengthening of performance accountability, the introduction of holistic performance measurement including public sector productivity, and cross-sectoral collaboration. The 2018–19 APS Review should focus on outcome centred changes geared towards improving the quality of public service production.

## BRIDGING THE PUBLIC TRUST DEFICIT

Following on from the proceedings of the 2017 IPAA Conference *Thinking Differently Building Trust* our expert group expressed the view that the APS has a fundamental role to play in building trust with Australian citizens. Three clear strategies for the APS were identified as a means to build public trust: 1) communicating with authority and influence to counter fake news through ongoing conversations with citizens and stakeholders; 2) ensuring that citizens are at the centre of policy, program and service design creation; and 3) authentically engaging with all government jurisdictions, the business and community sectors and broadening the axis of trust and policy learning beyond the usual suspects.

This will require new methods of doing public service production that *enable* (e.g. remove barriers to citizen participation through digital enablers), *empower* (e.g. through co-design of projects, programs and services), *engage* (e.g. working with and through community-based organisations and trusted intermediaries) and mainstream a culture of *seeing like a citizen* (see Stoker and Evans, eds., 2016).

It is also worth noting the key findings from the 2017 OECD project, “Trust and Public Policy: How Better Governance can Help Rebuild Public Trust” as a starting point for the panel’s further consideration. The OECD found that two different but complementary components matter in understanding and analysing trust:

1. Competence or operational efficiency, capacity and good judgement to actually deliver on a given mandate
2. Values or the underlying intentions and principles that guide actions and behaviours.

Responsiveness and reliability are critical dimensions of competence; with regards to values, citizens expect integrity, openness and fairness.

The publication identifies four policy levers as being particularly powerful in influencing trust:

1. Governments defining and adhering to integrity principles
2. Seizing critical opportunities to demonstrate integrity in practice, such as large public infrastructure projects and major events
3. Political leaders leading by example
4. Ensuring common standards of behaviours at all levels, since state and local authorities often interact more closely with citizens than do central government civil servants.

It is evident from these findings that the 2018–19 APS Review must partly focus on how the APS can help bridge the trust deficit between government and the people and restore faith in our system of government.

A portrait of Emeritus Professor Meredith Edwards AM. She is a woman with short, wavy, grey hair, wearing glasses and a light blue button-down shirt. She is smiling and looking directly at the camera. The background is a soft, out-of-focus light blue and white.

## EMERITUS PROFESSOR MEREDITH EDWARDS AM

### WHAT ARE THE KEY LESSONS THAT YOU WOULD DRAW FROM YOUR INVOLVEMENT IN PAST REVIEW PROCESSES?

*It is essential that any recommendations that emerge from the review are underpinned by evidence. This makes it much easier to convince people of the need for change.*

### WHAT BIG IDEA WOULD YOU LIKE TO SEE EMERGING FROM THE 2018 APS REVIEW?

*The APS needs to build an authentic diversity culture and this should be a focus of the workforce component of the review. There is much evidence to suggest that organizations that lack an inclusive and diverse culture suffer in terms of capability, productivity and performance. The APS still has a great deal of work to do to convince people from diversity groups that they are an employer of choice. We also need to ensure that the APS continues to perform as the frontrunner in advancing gender equality. More work still needs to be done to achieve gender balanced representation at the highest levels of APS leadership. There is a significant amount of evidence demonstrating that such gains can only be sustained through continued efforts or they are easily lost.*

## 6. CONCLUSIONS – BUILDING A PUBLIC SERVICE FOR THE FUTURE

This briefing paper has sought to make four contributions to the 2018 APS Review drawing on the thoughts of an expert group of distinguished former public servants and academics.

Firstly, it has presented criteria for judging the quality of an APS review. Drawing on historic experience, it emphasises the importance of: clarity of purpose and strong political and APS support; forward-looking and clearly articulated terms of reference; the establishment of an expert and independent panel; assurance that its recommendations are underpinned by a high-quality evidence-base and are implemented and subject to ongoing monitoring and evaluation; and, that effective consultation and engagement processes are conducted with the APS and its stakeholders.

Secondly, it has identified three types of APS review: *history making reviews* that introduce new service wide missions that impact directly on all aspects of the APS workplan (e.g. 1976 Coombs Commission); *ideological reviews* which can be no less impactful but are largely politically driven rather than evidence-based and can be a barrier to institutional development (e.g. 2013 Commission of Audit); and, *process reviews* (e.g. *Public Governance, Performance and Accountability Act 2013*) involving the introduction of new internal procedures, and policies for affecting continuous improvement. It is argued that with the exception of the ideological reviews (and for political reasons) the most impactful and legitimate review processes tend to be consistent with the criteria outlined in Part 2.

Thirdly, we have identified ten key lessons from the responses of our expert group that we can draw from past review processes which also largely correspond with the key ingredients identified for a high-quality APS review.

- Lesson 1: The review should have a clearly articulated vision and purpose
- Lesson 2: The review process should have strong political support and political-bureaucratic strategic alignment
- Lesson 3: The review process should have strong APS support
- Lesson 4: The review should contain clear and actionable terms of reference
- Lesson 5: The review should be forward-looking
- Lesson 6: The review panel should be independent and expert
- Lesson 7: The review should include respectful consultation and engagement processes
- Lesson 8: Panel recommendations should be evidence-based
- Lesson 9: Recommendations should be systematically monitored and evaluated
- Lesson 10: The review should focus on identifying and celebrating APS strengths as well as identifying and reflecting on its weaknesses.

Given the centrality of Lesson 2 — *the review process should have strong political support and strategic alignment* — we would encourage the panel to seek cross-partisan support in appropriate areas to ensure continuity across governments following the New Zealand model. This will ensure continuity in the application of recommendations across the electoral cycle in apolitical areas of concern (e.g. APS Workforce Planning).

The panel is also encouraged to consider the importance of Lesson 8 — *Panel recommendations should be evidence-based*. Some practical ways for this lesson to be incorporated in the review include: 1) undertaking an evaluation of APS reforms since 1992 (when the last evaluation took place) to ensure the 2018–19 APS Review and subsequent review processes are supported by a robust evidence base; and 2) undertaking a systematic review of appropriate international benchmarks and expertise.

Our analysis has identified several consistent and reoccurring themes of investigation in reviews since 1976. These include: the need for better citizen engagement, managerial skills, an open public service, flexible and agile institutions, responsive service delivery, and equal representation of women on public boards and committees. Why these themes continue to require attention should be a key component of the evaluation.

The following quotation from a member of our expert group provides an insightful synthesis of the above findings:

“The degree of independence is important but depends on the nature of the review. The Productivity Commission approach is a gold standard: clear terms of reference and purpose; an independent expert panel; production of a Discussion paper to focus public submissions; a draft report to test findings and support a second round of submissions; and a set of final recommendations that are carefully monitored and evaluated over time.”

Fourthly, our expert panel identified five building blocks for the APS of the future.

- address challenges to Westminster fundamentals, restore the independence and authority of the APS within the Australian federal system of government and develop the courageous leadership and multi-disciplinary workforce that has the capacity to meet 21st century challenges
- redesign APS institutions so that they are fit for the future with the twin aim of achieving “line of sight” (strategic alignment) between policy, programs and services and their impact on the Australian community, and promoting collaborative whole of government behaviours
- bridge the capability deficit in the APS by building a diverse and inclusive, citizen-centred, digitally literate workforce for the future which is led with integrity and communicates with influence
- change performance management settings so that they focus on outcomes and are geared towards benefitting the community, and

- drawing on the enhanced capacity generated by these interventions, bridge the trust deficit with Australian citizens by 1) communicating with authority and influence; 2) ensuring that citizens are central to policy, program and service design creation; and 3) authentically engaging with all government jurisdictions, the business and community sectors — not just the usual suspects.

It is evident from the observations made by members of our expert panel that they believe that the Independent Review of the Australian Public Service should be bold in its vision, long-term in its thinking, and authentic in its design. As Lynelle Briggs AO puts it:

*“Business as usual will not do. We need a fundamental review of the APS to ensure that we have a public service that is fit for the future. Not a review around the edges. I would like David Thodey and his team to visualise what an APS for the future should look like, and what needs to change to make it happen”.*

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## ABOUT

### THE INSTITUTE FOR GOVERNANCE AND POLICY ANALYSIS

The Institute for Governance and Policy Analysis (IGPA, formerly the ANZSOG Institute for Governance) was established in 2014 to conduct world-leading research and education in governance and policy analysis to deepen theory, advance knowledge and improve practice, in a way that is of significance to scholars and practitioners in Australia and beyond.

IGPA is a values-driven organisation committed to the integration of evidence-based research, better practice and social purpose. In a recent article in the Financial Review, IGPA was ranked at Number #1 in Australia and #22 globally for research in public administration (see: <http://www.canberra.edu.au/about-uc/media/monitor/2018/april/uc-a-national-leader-in-public-administration-research>).

IGPA consists of four research and practice centres focusing on different aspects of social, economic and political participation: the Centre for Deliberative Democracy and Global Governance; the Centre for the Study of Change Governance; the National Centre for Social and Economic Modelling; and, the “50-50 by 2030 Foundation”.

In 2017, Virginia Haussegger AM joined IGPA from the ABC to launch the “50-50 by 2030 Foundation” and the BroadAgenda (see: [www.broadagenda.com.au](http://www.broadagenda.com.au)) with Dame Quentin Bryce as its patron. The Foundation is dedicated to the provision of high-quality leadership, research and advocacy on gender equality issues.



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## ABOUT THE AUTHOR

Professor Mark Evans is currently the Director of IGPA. His research and practice focuses on better governance and policy analysis. Mark is the author or co-author of 25 books including the best-selling politics book in Australia in 2011; *The Rudd Government*. His most recent book is *Evidence-based Policy-making and the Social Sciences: Methods that Matter* (The Policy Press, 2016) with Gerry Stoker.

He was previously Professor of Government, and Head of the Department of Politics, at the University of York, UK and the inaugural coordinator of the World-wide Universities Public Policy Network. He has edited the international journal *Policy Studies* since 2005.

Mark has acted as a senior policy advisor, delivered leadership training and managed evaluation projects in 26 countries including Australia, Brazil, China and the United Kingdom and for international organisations including the European Union, the UN and the World Bank.

He has worked closely with several central and line agencies on change governance issues such as measuring public sector productivity, digital transformation and using codesign methods to affect social inclusion. He has also designed learning and development programs for 18 departments and agencies with 870 APS graduates since 2012. He has been awarded honorary research positions at the Universities of Bath, Gadjah Mahda, Hull, Renmin and York and is a Council member for the IPAA ACT Division.

## **APPENDIX 1: LIST OF INDIVIDUALS INVITED TO PARTICIPATE IN THIS RESEARCH PROJECT**

Mr John Baker  
Mr Roger Beale AO  
Ms Lynelle Briggs AO  
Professor Meredith Edwards AM  
Professor John Halligan  
Ms Jane Halton AO PSM  
Dr Allan Hawke AC  
Dr Ken Henry AC  
Mr Ken Matthews AO  
Ms Carmel McGregor PSM  
Mr Andrew Metcalfe AO  
Mr Terry Moran AC  
Mr John Nethercote  
Mr Steve Sedgwick AO  
Professor Peter Shergold AC  
Ms Ann Sherry AO  
Professor Anne Tiernan  
Mr David Tune AO PSM  
Professor Patrick Weller AO  
Ms Helen Williams AO  
Mr Stephen Bartos  
Ms Lynne Tacy PSM  
Mr Andrew Podger AO  
Mr Ian McPhee AO  
Mr Blair Comley PSM  
Dr Jeff Harmer AO  
Ms Lisa Paul AO  
Mr Max Moore-Wilson AC  
Dr Peter Boxall AO  
Mr Mark Paterson AO  
Mr Michael Thawley AO.

## APPENDIX 2: APS REVIEW PROCESSES 1976-2016

Review process	Measures
1976 Royal Commission on Australian Government Administration (Coombs Review)	Proposed greater accountability for public servants; mechanisms to improve the relationship between officials and the community; the need for managerial skills; the need for more efficient and responsive service delivery; devolution of responsibility, as well as greater flexibility and diversity in organisational styles; more efficient and economic use of human resources; and, a more open public service.
1983 Review of Commonwealth Administration (Reid Review)	Proposed the introduction of quality management (including financial management and personnel management), as well as issues relating to machinery of government, ministerial responsibility and administrative review. Followed by the Public Service Reform Act 1984 and the creation of the Senior Executive Service.
1986 Reform of the Australian Public Service (Hawke Reforms)	Established the Efficiency Scrutiny Unit and changes to personnel management and the efficiency dividend was introduced in the 1986-87 Budget.
1988 JCPA <sup>9</sup> , 'The Auditor-General: Ally of the People and the Parliament—Reform of the Audit Office', Report no. 296	Provided for the Auditor-General as an officer of Parliament ensuring greater operational independence from the Executive.
1992 Task Force on Management Improvement, The Australian Public Service Reformed: An evaluation of a decade of management reform	An evaluation of a decade of management changes concludes that: 1) the direction of change was correct; 2) changes were well accepted, and had many positive effects as well as some costs, and, 3) further changes needed to be undertaken.
<i>Prime Minister and Cabinet (Miscellaneous Provisions) Act 1994 (Cth)</i>	Provision of fixed term appointments for Departmental Secretaries. Cabinet introduced measures to enforce equal representation of women on public boards and committees.
1995 Report of the Public Service Act Review Group	Recommended that the Public Service Act 1922 (Cth) be replaced by a new Act 'built around the principles and values which stress the centrality of an apolitical public service with merit-based staffing, high standards of honesty and integrity, a strong focus on efficiency and results, and responsiveness and accountability to the government of the day while maintaining a capacity to provide quality and impartial advice.'
1996 National Commission of Audit.	Recommended a more limited role for government, a greater emphasis on efficiency and effectiveness, and the separation of policy formation from program delivery.
<i>Commonwealth Services Delivery Agency Act 1997</i>	Creation of Centrelink and the establishment of the concept of the one-stop-shop.
1998 PSMPC <sup>10</sup> , 'APS Reform: Building on Good Practice', PSMPC, 1998	Outlined the government's expectations of the APS in areas such as customer focus, agreement-making and performance measurement.

9. JCPA is an acronym for the Joint Parliamentary Committee of Public Accounts.

10. PSMPC is an acronym for the Public Service and Merit Protection Commission.

<i>Budget Honesty Act 1998</i>	The Act provided a framework for conducting fiscal policy including the introduction of the Pre-election Economic and Fiscal Outlook (PEFO), regular intergenerational reports (IGRs), a medium-term fiscal strategy and a formal commitment to: “...returning the budget to surplus”.
<i>Public Service Act 1999 (Cth) and 1999 Parliamentary Service Act (Cth)</i>	Established the separation of parliamentary departments from public service departments.
2003 Uhrig Review of the Corporate Governance of Statutory Authorities and Office Holders	Proposed mechanisms for the clarification of government expectations of statutory authorities.
2008 Gershon Review of the Australian Government’s Use of Information and Communication Technology.	Proposed the establishment of an ICT Ministerial Committee for whole-of-government ICT policy; a reduction in business-as-usual ICT expenditure with reinvestment of half of the savings to make ICT business-as-usual activities more efficient and effective; creation of an APS ICT career structure and increasing the number of APS ICT staff with a reduction in the use of ICT contractors; and development of a whole-of-government ICT sustainability plan.
2009 Government 2.0 Taskforce, ‘Engage: Getting on with Government 2.0’	Proposed that the government make a declaration of open government regarding the release of public sector information, technology use for citizen engagement in policy-making and service provision, and online engagement by public servants. Led to the appointment of the Office of the Australian Information Commissioner.
2010 ‘Ahead of the Game: Blueprint for the Reform of Australian Government Administration’, Department of the Prime Minister and Cabinet	Proposed: restructuring the APSC and augmenting its role; revising employment arrangements for secretaries; reviewing the size and role of the SES; revising and embedding the APS Values; periodic review of agency capability; and, review of existing efficiency mechanisms within the APS such as the efficiency dividend. Led to the establishment of capability reviews, the APS 200, the National Institute of Public Policy (ANU) and the Design Centre.
2013 National Commission of Audit led by Tony Shepherd	Reported in 2014 making wide ranging recommendations for abolition/mergers, privatisation/outsourcing. Key recommendations that led to change included: introduction of contestability and functional and efficiency reviews; creation of six shared services hubs; establishment of grants hubs Social Services and Industry, Innovation and Science; and, the creation of a separate agency for Indigenous affairs.
<i>Public Governance, Performance and Accountability Act 2013</i>	Informed by the Commonwealth Financial Accountability Review. Established an integrated system of governance and accountability for public resources with an emphasis on planning, performance and reporting and improved agency public accountability mechanisms and risk assessment.
2014-16 Contestability (Functional and Efficiency) Reviews	Centred on systems, engagement and market improvement. Identified the need for: cross government collaboration; re-focus on core business; sub optimal spans of control; capability deficits in strategic policy development, digital data analysis and modelling capability; digital transformation and planning. Led to the Public Sector Modernisation Fund, APS Productivity Agenda, APS Framework for Optimal Management Structures and, now the APS Review led by David Thodey AO.



