**Some Propositions about the World and the Australian Public Service**

**Introduction**

I worked in the Australian public Service for 38 years. I had a wonderful time and, on some occasions, felt that I was making a genuine contribution to our national life through my work. I am very grateful for the opportunity that the Public Service gave me to contribute and to develop as a person, both professionally and personally. Knowing what I know now, I would still, if starting again, make the same choice to pursue a career in the Public Service.

That said, I think the Public Service is at a cross roads and that the challenges it faces are a reflection of challenges that the country faces as a whole. The Public Service is what the nation has created. So, I believe to talk about the Public Service is really, in a very refracted way, to talk about Australia.

I do not want to write a great tome about what challenges are or how they might be dealt with. What I have done is put forward some propositions about the context within which the Public Service operates and some of its problems and the challenges it faces. These propositions are contestable, but they do reflect my experience and thinking.

**Context - Change**

The Public Service is one of the great institutions of Government. Its core purpose has been to build policies, frameworks, institutions and systems in every sphere of life with the aim of ensuring that Australians are able to achieve their full potential as individuals and participate fully in both local and international communities. Therefore, thinking about the Public Service requires that we ask what sort of world are we living in, for that will determine what the Public Service should be and do.

The world is changing, and the rate of change is increasing. Addressing this requires an APS that is much more engaged in seeking to understand the global and domestic context in which it works and to considering the paradigm it uses for discerning high quality practical policy advice.

To do this, I would encourage the panel to think about the whole policy ecosystem, not just the capability of the service itself. This should include consideration of the use of “second track” vehicles to create a much more vibrant discussion around both the future (and current) policy context, and also on what constitutes good policy and implementation in this context.

In this paper I focus on the example of the Indo-Pacific as one example among many of context change that will challenge the APS.

**The Emerging Indo-Pacific as a Challenge to Imagination**

The strategic order we have lived within for decades is changing and Australia will need to respond and live in a world where the assumptions that have governed policy for the last seventy years are no longer reliable guides for action in the future. There is the global shift in resources and power that is occurring at the moment that will see the centre of economic activity in the world move to the Indo-Pacific over the next decade or so. The Indo-Pacific is the location of some of the most pressing security issues facing the world.

The Indo-Pacific is in a period of transition as great powers assert their prerogatives and seek to negotiate a new, potentially post-American, strategic order (neither the US or China now operate as status quo powers). It is a strategic system that contains within it a number of sub-systems (North Asian, South East Asia, South Asia, and the South West Pacific) that engage Australian strategic interests and where the potential for conflict or other problems is high.

Many states are fragile or have political systems that are in transition or are finding it difficult to manage the challenges that they face. It is an area where the impact of climate change will be felt, potentially in future disasters, along with major changes to regional environments that will affect the food and economic security of significant populations.

From a strategic perspective, there is a mismatch between the emerging economic order and the geostrategic order that has been in place since the post Second World War settlement. The institutions of governance for the management of the Indo-Pacific strategic and economic order are not mature or capable of delivering the strategic stability to provide assurance around strategic and economic decision-making.

**Is our Public Service capable of Imagination of the order necessary to help respond to the multi-dimensional challenge of living in the Indo-Pacific?**

The Indo-Pacific is a profound policy and strategic challenge for Australia. Learning to live in the Indo-Pacific will also be a major domestic challenge and will reshape many of our political and social institutions in ways that are difficult to foretell. The challenge presented to some of these institutions by China is a small foretaste of what is to come.

We are in a period of transition from one strategic order to another. Managing this transition will be the work of a generation. One of the characteristics of periods of transition is that they are often periods of confusion and experimentation, with the past more powerful than the future. The dilemma is that we know the past and it is the reference point for our models of policy and action into the future. But we know the future will be different and that what we are doing now may not be sufficient to meet its demands. The temptation is to do nothing.

This is a challenge to our strategic imagination, to our ability to conceive of a different order and a different Australia within that order. In time this challenge will become the challenge to policy and to the strategies that we might pursue to give expression to that policy. But first it is a challenge to imagination and this is where the quality of national imagination and leadership becomes critical. Not only do we need to imagine ourselves into what we might be, but also what the world might be. Is our vision of our future large enough to accommodate and respond to the scale of change that we are seeing? How will the tension between what we imagine and what we experience play out? How do we ensure we do not concede too much to the world of experience and the forces of continuity and therefore set the conditions for future strategic failure?

**What does this challenge mean for the Public Service?**

These questions challenge our policy and administrative culture, embodied in the Public Service. Australian culture has always privileged the practical over the visionary, the doing over the thinking. It seeks to live in this world, rather than contemplate some other. The Public Service embodies this preference in its technocratic and instrumentalist culture. It values management over leadership. It distrusts imagination because imagination is disruptive.

In an environment where imaginative capacity is weak, strategy as method, problem-solving, preoccupied with process, will dominate. Policy devolves to administrative problem-solving and risk management rather than as a vital reimagining of the future.

Challenges to imagination in our administrative cultures include:

* an over valuing of operational experience and activity against more strategic thinking and work;
* a tendency to fragment policy domains rather than integrate; for example the separation of thinking and work on geopolitics and economics when developing strategic policy – the old problem of silos – this matters because each domain embodies a different worldview and assumptions about reality. The advantage of integrated approaches is that these partial worldviews are tested;
* an over-reliance on certain types of (quantitative) evidence and data to support policy development and decision making. Knowledge domains have domain specific biases and perceptions about what is or should be valid evidence to support decision making;
* a tendency to passivity, manifest in a lack of confidence in our ability to understand and solve problems by ourselves or to take risks;
* a service delivery culture that focuses on program delivery as opposed to community engagement;
* a belief in technology as the primary path to improved service delivery;
* an overvaluing of standardization of process and systems;
* a culture of accountability through compliance;
* an over-valuing of the US Alliance as the primary source of security and strategic stability;
* a preoccupation with border control as the primary manifestation of our sovereignty, rather than recognising that sovereignty in a globalising world is a state of mind built on confidence as to our sense of our identity, or recognising the reality that sovereignty is traded every day in our interactions in the global community as we seek national benefit or to maximise our economic and geo-strategic position;
* the elevation of the “Border” as the primary strategic framework for understanding and managing national security; and
* a tendency to over-value the present as opposed to the future, along with a tendency to see the future as a linear extrapolation of the past.

My argument is that the above approaches to the construction and work of institutions will inevitably result in a lack of imaginative capacity in our policy development and decision making.

**The Public Service**

Below are some propositions about the Public Service which I acknowledge are large generalisations and open to debate and nuance.

* The Public Service is not completely autonomous. It depends for its purpose and its relevance on the direction and support of Government. It has no independent life of its own. If the quality of Government direction is low, or if Government feels that it can operate without engagement with the Public Service, the Public Service will not perform. If there is a lack of respect from the Government in relation to the Public Service, which I think has been a feature of recent Governments, the Public Service will not perform.
* The Public Service by virtue of size and history and repositories of corporate knowledge does exercise custodianship of the longer term. My sense that this is not as valued as it might once have been.
* A Public Service left to look after itself will inevitably focus on what it considers to be its own needs or concerns, and become less relevant to Government. Or it will sulk.
* The Public Service has its traditions and ways of doing business, and certain foundational ideas such as the merit principle and the tradition of apolitical advice. It is questionable whether politicians and governments hold to these ideas and others to the extent that might have been true in the past.
* The Public Service is a large administrative machine that delivers outputs for government to the community every day of the year. It requires technical and professional competence to manage this machinery. My experience is that most Ministers and their staffs do not understand this, or over-value private sector models of limited relevance and which they do not understand.
* Perhaps Public Servants should not be called Public Servants. They do not serve the public. They perform functions mandated by government on behalf of government. They should be called Government Servants or Government Officials. If we say that Public Servant also means stewardship beyond just doing Government directed tasks, then governments need to understand and support what that means.
* There is no consensus on what good public-sector performance actually means. It is possible to argue the case that over the long-term (decades) the Public Service has been one of the nation’s treasures, in that it has brought stability to government and contributed to nation-building. However, this is not the criteria that is used to either understand or judge performance in the contemporary environment.
* Commonwealth and State Governments and Public Services perform different functions. The Commonwealth involvement in service delivery has distracted from its capacity to discharge its role of strategic and national policy development and regulatory frameworks.
* Over the past decade it is clear that governments, for a multitude of reasons, have less and less of a stake in a high performing Public Service and often the message is that Public Servants are a waste of Government resources and not much more than the cost to the budget. This is not a basis for any sort of partnership. Public Service leadership has, with some exceptions, been remiss in responding to this trend. This represents an abrogation of their custodial, stewardship and leadership responsibilities.
* Senior public service culture tends to be operational and technocratic, with a focus on short-term management positioning to meet the perceived needs of Ministers operating in very short policy cycles. This has overvalued operational capacity and created a strategic leadership deficit.
* Australia is a small country and does not have an abundance of human resources. Public Service cultures are inward looking and resistant to engagement with external sources of advice on policy or practice. Organisational models need to be more sophisticated in their understanding of boundaries and accountability, and more willing to engage across boundaries.
* There are different Public Services – some services can only be provided by government; others are more contestable. Management frameworks for the Public Service need to distinguish between different roles and to customise employment frameworks appropriately.
* The service delivery agenda needs more thought. Citizens are citizens, not customers. As citizens they have obligations and rights. Customers have discretion and choice in a market. The rhetoric of customer when coming from service delivery agencies misrepresents the relationship with the public. A more productive path for the future would be to build service delivery frameworks around the obligations and rights of citizenship, and to build administrative systems accordingly.

**What is Strategic Performance for the Public Service?**

There needs to be a sophisticated and broad ranging conversation about performance in the Public Service. Performance is an idea that the Public Service itself struggles with. My view is that judgements about performance ultimately rest in judgements about whether an organisation is meeting its purpose. I believe that part of the crisis of the Public Service is a crisis of purpose and meaning in a community that has evolving expectations of what it wants from Government, and Governments that are struggling to cope with the rate and nature of change as the pace of globalisation intensifies.

Perhaps the idea of a Public Service as traditionally conceived in the 19th and 20th centuries has had its day. Public Service nostalgia will refer to the great achievements of the past, and sometimes even politicians will reference the past as they dream their schemes for the future (Snowy Hydro 2!).

If the Public Service was involved in nation building in the past, recent projects (e.g. NBN) have demonstrated that it is not trusted to have a significant role in nation building in the future. So, what is its role? I think this is the key discussion.

**What is to be done?**

Some thoughts:

* The relationship between the Public Service and the Government needs to be reset, perhaps with a more explicit statement by Government on what the nation should expect of the Public Service. This might be subject to an annual report by the Secretary of the Prime Minister’s Department or the Public Service Commissioner, should one exist, to the Parliament on the extent to which the Public Service is meeting these expectations.
* Central agencies have a coordination function. They (PM&C in particular) might also develop stronger strategic policy capacity with an emphasis on integration across domains to strengthen whole of Government perspectives and longer-term positioning.
* There needs to be much stronger focus on strategic leadership, with much earlier development of these skills. Australia needs a leadership school of the stature of Harvard, Wharton, Oxford, Stamford, etc.
* There should be programs that expose politicians to the Public Service outside the exposure that they might get through the work of Parliamentary Committees or other ad hoc interactions, many of which use the Public Service opportunistically to further political conflict. The aim of such programs would be to facilitate greater understanding by politicians, some who are likely to become Ministers, of what the Public Service is and is not. This exposure might be managed through a body independent of government, perhaps like the Parliamentary Budget Office.
* The concept of public service should be detached from its institutional clothing, recognising that public service may be performed in a variety of ways through a variety of organisations, with individuals not necessarily affiliated with Departments or within the mainstream career structures of the Public Service. The concept of public service should be built around accountability towards achieving government directed outcomes, rather than through specific institutional arrangements.
* To the extent that the public service will retain specific institutional structures, these should be made more flexible to encourage partnership with other entities such as universities or private sector firms in achieving public goals.
* Employment frameworks should be far more flexible to account for diversity of skills, roles, and accountabilities across the sector.
* Work structures, including hierarchies, should be more contingent upon the role of an organisation rather than conforming to a design built in the last century.

**A Final Comment**

The overriding strategic challenge for Australia is to live in the Indo Pacific. This is a challenge to our national imagination. Perhaps the future of the Public Service is some sort of partnership with the political arm of Government and other parts of the community to understand and respond to the challenge of the Indo Pacific - to imagine a different Australia, and to work out ways of bringing it into being. If this is true, it is worth asking whether the way the Public Service currently functions, both structurally, and culturally, enables it to do this.

Brendan Sargeant

July 24, 2018