**MICHAEL LESTER. Political Culture and the Limits of the APS Independent Inquiry.**

*There is an old saw that cautions politicians never to establish an enquiry unless they know the outcome beforehand. The Prime Minister appears to have learnt that lesson from the ‘can of worms’ exposed in his Royal Commission on Banking.*

*Turnbull has announced an ‘independent inquiry’ into the future of the Australian Public Service (APS). An independent inquiry is not a Royal Commission and its terms of reference and membership are presumably designed to keep it focused on his own political agenda.*

Historically ‘the public interest’ has been well served by our public service. It was born of the Westminster tradition of an ‘independent’, apolitical career service offering ‘frank and fearless advice’ and garnished over time by our unique ‘talent for bureaucracy’.

Along the way, it has undergone important and legitimate reform, most notably via the Coombs Royal Commission into Australian Government Administration (RCAGA, 1975). It was chaired by arguably Australia’s most distinguished public servant, Dr H C “Nugget” Coombs who had led the talented cohort of post war bureaucrats charged with the post-war reconstruction of the country.

As of now, some forty plus years later, the APS is in evident and long standing need of thorough review and reform. Much has changed around and within it over that time. Moreover, along with society as a whole, the service faces largely unknowable challenges driven by digital technology disruption. So far so good with our Prime Minister’s logic in calling his inquiry, but no further.

The ‘stylised facts’ or ‘salient’ features of changes in the APS are readily observed and characterized. As the community has lost trust in all institutions –

government, politics, business, unions, media – it has also lost trust in the bureaucracy. At the root of much of this loss of trust shared by countries such as the UK and USA has been an ideological, some might say obsessive, fascination with ‘small government’ and its ‘re-engineering’ in favour of ‘the market’ and ‘mangerialism’.

This neo-liberal, economic rationalist world-view has in large measure been embraced by both sides of politics. At its core it elevates ‘efficiency’ over ‘equity’. It privileges private interest over public interest, vested interests over communities, and individuals over society.  Ultimately it holds up the reified ‘economy’, ‘market’ and money over broader social values and goods, let alone any concept of ‘the public good’.

President Reagan called out ‘government as the cause of the problem not the solution’. In the immortal words of Margaret Thatcher ‘there is no such thing as society’. We live in an era of  ‘I’m alright Jack’ that legitimates self -interest at the expense of the public.

With the ascendancy of President Trump we see the blatant manipulation of the public interest taken to new highs by the appointment of like-minded cronies to senior public offices of the administration, its agencies and regulators.  They all have substantial, personally vested private interests, as does the President himself. These are pursued in office, at the cost of public benefit, oblivious of the regular conventions and practices of transparency, conflicts of interest or indeed any public accountability. Despite Trump’s populist pledge to ‘drain the swamp’, the ‘revolving door’ drawing private sector business people into the government administration while similarly exiting senior officials to the private sector has never spun faster, and the lobbying industry continues to thrive.

As the work of the Banking Royal Commission makes evident, the organisational culture of the industry is sadly ailing and falling far short of community expectations of good corporate governance and practice.  It is also exposing the responsibilities of senior management, chief executives, boards and their chairs and directors for that culture which flows from the top and can only be effectively reformed by the actions of the industries leaders.

In the name of ‘small government’ and ‘market discipline’ the APS has progressively become stripped by its political masters of the capacity to act effectively in the public interest. This breeds at best a culture of complacency, and at worst, corruption.

* Staffing numbers and budgets have been regularly cut back in the name of  ‘fiscal restraint’, ‘productivity dividends’ and efficiency;
* Professionalism and independence has been politicised by employment contracts at the highest levels in the name of ‘performance accountability’ at the discretionary behest of our political masters often invoking the mantras of ‘managerialism’;
* Policy-making expertise has been denuded in favour of  ‘politicised’ advice from expanding ministerial offices with partisan and often inexperienced ‘private staff’;
* Policy making and debate in the public interest has been undermined by the strident clamour of voices representing vested interests, including through generously funded election campaigns, corporate lobbying, the more subtle and sophisticated forms of the ‘revolving door’, activist well-funded policy campaigns by vested interests, ‘industry associations’ and partisan ‘think tanks’ (beneficiaries of favourable tax treatment that pre-empt a broader and balanced public policy debate);
* Large consulting firms whose principal income is from corporate clients have been the beneficiaries of outsourcing strategies that have fed hundreds of millions of tax dollars each year into their hands while concurrently cutting staffing levels even further;
* Program service delivery capacity has been curtailed through privatization or outsourcing that has led to huge cuts in staff in favour of commercial enterprises with little regard for ‘the customer’ over the interests of the owners, shareholders or executives involved and giving the appearance that private contractors are calling the policy shots in government;
* Privatization, asset recycling, contracting out and outsourcing initiatives have allowed politicians to transfer public accountability onto contractors rather than themselves, often invoking ‘commercial in confidence’ criteria in defence of a lack of FOI transparency with regard to the disposition of public assets and funding;
* Individual contracts, individual performance agreements, and casualisation imposed on staff have resulted in falling skills, commitment and wages with accompanying decreases in efficiency and morale, and increasing tendencies to corruption;
* Examples of corrupt behaviour in the public service has increased, public servants report a high awareness of corrupt activity but lack the confidence to call it out in the face of ever reducing ‘whistleblower’ protections, and all in the face of enhanced opportunities for corruption driven by privatization, outsourcing initiatives and the prevailing morality in favour of the pursuit of personal, private interests;
* Regulatory capture by the very interests that the regulators are put in place to regulate in the public interest undermines the ability  of agencies to monitor, enforce and sanction regulatory breaches in the form of out-and-out ‘bribery’, ‘revolving door’ movements between public and private sectors and a lack of resources and skills to prosecute their statutory roles effectively.

It is the underlying political drivers and associated set of values that has given us the shell of an APS that we once had and that we need to have in meeting the challenges of the future. Without a true audit and accounting of these structural features of the APS system there is a risk that the inquiry will skate across the surface. It may address some short term political expedients, but for the rest, offer only a set of homilies and platitudes by way of recommendations leaving the core problems unaddressed.

It is all well and good, for example, for the terms of reference to draw particular attention to the need for the APS to adapt to the opportunities of new technology; who can argue with that? But unless we understand why they have arguably not kept abreast of such developments then no amount of further admonition and posturing will change things. The complex answer lies in understanding how constant government cutting of agency budgets and outsourcing of technology services has depleted any capacity by the APS to keep alongside with, let alone ahead of, the technology curve. This has been the deliberately sought outcome of government policies and ideologies.

One is not reassured by the inability of our politicians over many years to establish an effective federal anti-corruption and integrity agency, or ICAC, to tackle the more obvious manifestations of corruption in the public sphere at the national level. It is only latterly that the Opposition has announced that it will support establishment of a federal ICAC while the Coalition government through the Prime Minister remains effectively silent on the matter. Reform of the ethical behaviour of politicians and government is no easy matter. It requires in part, the effective institutionalization of both civil and criminal enforcement and sanctions against systemic ‘political corruption’.

What we need to enhance the prospects for the APS in the ‘public interest’ is a broadly constituted and fully-resourced Royal Commission, not a politically circumscribed ‘independent’ inquiry.  Otherwise, the core issue to be addressed –  namely, the political culture and leadership that has compromised the integrity and culture of the APS – is never likely to be exposed, debated and reformed. Effective reform of the APS culture can only come from the top down.

The Coombs Royal Commission into Australian Government Administration  (RCAGA) delivered an effective, long-term template for a reformed APS. It did so by exercising its full powers, consulting widely and investing in thorough research to inform the public of the complexity and breadth of issues involved.

The long-needed inquiry and associated reforms to make the APS and its culture ‘fit for purpose’ are vital to the realignment of government agencies values and activities with that of the broader public interest.  Trust in government and its administration can only be restored by ensuring that private vested interests are not given continued unequal, unfair and essentially asymmetric access to policy and decision-makers by virtue of their wealth. It is this process that effectively drives a system of ‘political corruption’. Restoring faith in our representative democracy does not lie in that direction.

Of course, you can never be completely assured in setting up an inquiry that it might not strike out in its own direction, uncovering matters you might have preferred left alone. Appointed individuals often exercise a sense of their own moral independence and integrity, while the process of inquiry itself can generate a self-accumulating momentum of discovery that propels its work into unforeseen and often hidden niches. We can see this at work as the Banking Royal Commission undertakes its forensic investigations.

In the case of the Prime Minister’s APS  independent inquiry one can only remain ever hopeful while always mindful that the responsibility for organizational culture and behaviour, and for its reform, starts at the top.

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