

Advisory Group on Reform of Australian Government Administration
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

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SUBMISSION

Reform of Australian Government Administration: Building the world's best public service

1. The Association of Professional Engineers, Scientists and Managers Australia (APESMA) is a member-based industrial association registered under the *Workplace Relations Act 1996* that represents professional employees in engineering, science, information technology, pharmacy, architecture and managers in both the private and public sector. Our members in the Australian Public Service (APS) are engineers, scientists, managers and specialists in areas as diverse as defence, energy, environment, resources, transport and agriculture. APESMA has a strong commitment to enhancing skills and professional development opportunities for members and co-operating with organisations to improve and maintain workforce capability. APESMA is a founding member of the Australian National Engineering Taskforce. We welcome the opportunity to respond to the discussion paper and look forward to further involvement in the development of public sector reforms and the shaping of a 21st century public service.
2. Australia is facing major public policy challenges - climate change, economic growth, national and regional security, sustainable development, health and the delivery of national infrastructure. Scientists, engineers and technology professionals are critical to developing and delivering the solutions to these problems.
3. We believe that the starting place for improved public services is an understanding of the underpinning skill bases required to identify and deliver policies and programs and an assessment (or audit) of the existing capability of the APS to match those skill requirements. We note that the discussion paper does have some consideration of generic skills issues but provides little consideration of specialist skills. Our members are concerned that there is limited evidence that Government appreciates the wide range of roles undertaken by specialist staff or the qualifications that underpin such work, particularly of those staff working in science and engineering.
4. These skills are essential to the role of Government in meeting key public policy challenges yet the pressure on resources, limited professional recognition and limitations on career paths within the APS are barriers to meeting these challenges. We strongly believe that Government Departments need appropriate research and development (R&D) budgets, to recognise and therefore encourage internal scientific and engineering expertise, as well as developing systems to access independent external advice.
5. We believe that the Government needs to take the lead both as an employer and an innovator for the following reasons:

- Science, engineering, maths and technical skills underpin evidence-based, sound decision making across Government.
- Government can only manage risk and deploy science effectively if it has a sufficiently expert and critical in-house capability to allow it to assess problems, formulate solutions and pose informed questions. Without this capacity it cannot be an “intelligent customer.”
- A strategic investment in science, engineering and technology based roles within the public service is integral to the development of sound policies and the management of programs to support economic growth, national security, sustainable development and the delivery of national infrastructure.
- The “Powering Ideas White Paper” identified scientists, engineers and technology professionals as underpinning Australian innovation, and hence these professions should be a focus of Australian Government employment if Government efforts to innovate are to be realised.
- These professional skills need to be recognised at all levels and across Government through professional classification structures and career paths that competitively remunerate these professional skills.
- This includes value being placed on the accumulation of knowledge, qualifications, peer review and professional experience within the APS and the fostering of communities of expertise across Government.

Response to Discussion Paper Questions

6. The submission does not provide responses to all the questions posed by the discussion paper, focussing on the questions of particular interest to the Association in Chapters 1-5 and 7 and providing a general response to the issues posed in Chapter 8. The Association would welcome the opportunity to provide a further submission on other elements of the submission at a later stage.

The Australian Government Sector Today

- *Do you think this chapter accurately captures the role of the APS?*
7. Inasmuch as it can be captured in a few, brief bullet points the chapter provides a brief, description of the role of the APS but it does not provide the audience with much of a real conception of the role of the APS or what that role/s could be. Perhaps a better place to begin would be to understand the purpose of the APS, the priorities for the APS and then the role (or roles) that may flow from an understanding of both purpose and priorities.
- *What are the implications of the statistical snapshot, and of employee views and attitudes for the future of the APS?*

The Snapshot

8. The simple implications from the statistical snapshot are that the APS workforce is ageing, better educated and employed at higher levels. The difficulty with reading too much into the statistical snapshot is the limitations of the data that supports the statistical snapshot (in both 1994 and 2008). Indeed the *State of the Service* Report 2007-2008 notes in relation to the data on level of education that the “quality of data on educational qualifications provided by agencies continues to be very disappointing. Agencies provided data for only one-third of those engaged during 2007–08.” What we also are unable to ascertain is how this change in educational profile matches with skill requirements. From an APESMA perspective we would be interested in understanding how many APS employees have science and/or engineering degrees and how that matches up with the roles that they are performing in the APS. We believe that an understanding of the general and specialist skills base required by the APS and a detailed skills audit of the current capability of the APS are essential starting points to improve public sector performance. If the Government does not have a clear understanding of its existing skills bases it is not possible to make any credible assessment of its own capabilities to meet future needs.
9. A simplistic assessment of the data on classification levels implies that the APS is top heavy and over-classified, particularly when roles are located in Canberra. What can not be extrapolated from the generic data are the diverse reasons behind the trends on classification levels (has there been a growth in more complex roles and/or responsibilities and accountabilities?) or the differences that exist between agencies. Are we expecting employees to do more with less but in some cases reflecting this by providing higher remuneration? Has the advent of changes in technology abolished the need for lower levels of administrative support or has that body of work been allocated elsewhere? What pressures have been brought to bear on parts of the APS from the external labour market?
10. Without passing judgement on the changes in numbers of staff at different classification levels the Advisory Group in considering reform needs to consider what the right resource bases are to deliver public services both in terms of numbers of employees and classification level and whether the classification structure itself remains appropriate.
11. This will require a re-examination of central APS classification structures and work level standards that to a greater or lesser extent are covered in cobwebs.
12. The snapshot identifies that the workforce is ageing and the percentage of younger members is also decreasing. It would be of further interest to see the age profile of critical skill sets in the APS and whether the age profile differs from the generic snapshot. Attracting and retaining young engineers and scientists is a significant challenge to the public sector and will remain a key challenge with the domestic and global pressure on these skill sets. Ensuring that there are systems in place that promote specialist career paths, mentoring and skills transfer are key components of maintaining and building capability within the APS. More experienced APESMA members would like to provide greater opportunities to mentor young professionals and share their knowledge but are often restricted by lack of resources. It will be important for the APS to identify and support good practise in this area if it is to reduce the risk created by an ageing workforce.

Views and Attitudes of APS employees

13. One has to be careful in drawing too many implications from the survey responses to the *State of the Service* report without more information about the questions, the

sample size and the breakdown of the responses. For example, are the responses generally consistent within an agency in terms of satisfaction, dissatisfaction, motivation or lack of motivation of respondents? Is identification with an agency rather than the broader APS particularly surprising and what do we learn by the identification with one or the other? It is certainly positive that a majority of respondents report that they are motivated and willing to put in extra effort but it is difficult to draw further conclusions from the responses.

Challenges in the strategic environment

- *What are the most important challenges facing the public sector over the next ten years?*
14. Australia is facing major public policy challenges - climate change, economic growth, national and regional security, sustainable development, health and the delivery of national infrastructure. The most important challenges for the APS will be working together with State and Territory Governments and other bodies in enabling solutions to these challenges as both an innovator and “intelligent customer”.
 15. Scientists, engineers and technology professionals underpin Australian innovation, and hence should play a fundamental role within Australian Government employment if Government efforts to innovate are to be realised. The Association believes there needs to be greater thought given as to how their skills can be better harnessed across Government including the representation of these skills in leadership groups and the fostering of communities of expertise.
 16. The Government can only manage risk and deploy science effectively if it has a sufficiently expert and critical in-house capability to allow it to assess problems, formulate solutions and pose informed questions. This is fundamental to the Government being able to be an effective “intelligent customer.” The Association is concerned that the Government is already dangerously exposed by an under-investment in these areas and an aging workforce.
 17. The Association believes that a strategic investment in science, engineering and technology based roles within the public service is integral to the development of sound policies and the management of programs to support economic growth, national security, sustainable development and the delivery of national infrastructure.
- *What are the key implications for how the public sector will need to operate?*
18. The discussion paper rightly identifies the need for the APS to help the nation adapt to the diversity of global developments in areas such as those outlined above. The harnessing of professional skills will be vital for Government to be equipped to operate in such a modern, complex and global environment and there will need to be a renewed emphasis on specialist skill sets. This requires Government to commit to a new professionalism delivered through investment in attracting, retaining and developing its own specialists by:
 - Recognising the essential role of professional staff in providing advice and support to the APS;
 - Enhancing the professionalism of the APS by re-establishing specialist career paths at all levels and across Government;

- Valuing the accumulation of knowledge, qualifications, ongoing professional development, peer review and professional experience and the fostering of communities of expertise across Government; and
 - Supporting mentoring and generational knowledge exchange.
19. At the heart of this challenge would be a move away from the generic classifications and work level standards of the last decade and a renewed emphasis on both core and specialist skills as part of a review of existing classification structures. A number of agencies, with varying levels of success, have attempted through agency bargaining to reintroduce such specialist career paths but have been limited by APS Classification Rules and Work Level Standards that belong to a different era. The reintroduction of key specialist career paths and structures at all levels across Government will be an important part of “re-professionalising” the APS.

An aspiration for Australia’s public service

- *What do you think is an appropriate aspiration for the Australian Public Service?*

“A Government service that has the skills, expertise and resources to support the Australian Government and nation meet key public policy challenges.”

20. It’s difficult to have a single aspiration for the APS that is meaningful and there should be capacity to adjust “aspirations” to fit the nature of particular parts of public service. The key to any such aspiration is an assessment of our current capability and a clear understanding of the purpose and the roles that Government see as a priority for the APS.
- *Do these five key characteristics adequately encapsulate what you would expect from a high performing public service?*
21. It is difficult to encapsulate what you would expect from the APS in a few bullet points but, brevity aside, there should be a restatement of the value placed on professionalism and innovation and a commitment to evidence-based decision making.

A values driven culture that retains public trust

- *Should the APS values be streamlined? What values do you consider should be included in a revised set of APS values?*
22. It is easy to get sidetracked into a discussion about whether there should be more or less APS Values and whether they should be expanded or reduced. A better approach would be to revisit the purpose and role of the values. Do we really expect the values to be applied on a day-to-day basis in a black letter approach or are they an underpinning set of values that are generally understood as the current embodiment of longstanding public service values and ethics? Do citizens, public servants and the Government have confidence that the public service is being driven by these values? These are the sort of questions we need to ask to get a better understanding of the appropriateness and effectiveness of the current APS Values.

23. A simple way to make the APS Values more visible and test their effectiveness would be to require an assessment of performance against the values part of the performance assessment process.
- *How do we ensure that APS leaders fulfil their responsibilities to promote and uphold the values?*
24. The most effective way for any leaders to promote and uphold the values is by modeling behaviour that is consistent with the APS Values. In terms of building greater common purpose some considerations could include clearer communication of what that common purpose might be, greater collaboration across agency leadership groups and encouragement of mobility amongst the leadership group across agencies. This should include providing roles for leaders with specialist backgrounds across Government Departments and agencies not just in agencies that are regarded as having a science and/or engineering focus. At the same time it is important to understand that what might be characterised as disagreement and “disunity” on matters of policy could also be characterised as providing frank, fearless and/or innovative responses to the orthodox policy response.

High Quality, forward looking and creative policy advice

- *How can internal and external collaboration be strengthened to improve policy development and implementation?*
25. An important starting point is for agencies, and the APS more broadly, is to have a clear understanding of the overall expertise held in-house and what opportunities exist for collaboration between agencies (and external bodies). Agencies must collect comprehensive data, in a manner which is consistent and comparable between Departments, regarding the numbers of scientists and engineers that they employ. Clearly, a distinction must be also made in these data between staff that have specialist qualifications who are now employed as generalists and those who are employed as scientists or engineers. At the same time there needs to be a consistent way in which agencies assess their need for skills (such as science and engineering) and determine whether these needs are being met.
26. With the demand for evidence-based solutions to complex issues, it is vital that these capabilities are recognised and retained in Departments and it is important that any measures to improve co-ordination/consultation between agencies do not come at the expense of Departments having less capacity to retain their specialist skills sets.
27. The proposal to establish strategic policy hubs or alliances is worth further consideration with the opportunity to second specialist staff in for particular strategic policy advice and would match some of the collaborative work already going on in some agencies. It should be clear that such hubs should reinforce the capacity of the Government to engage in research, analysis, consultation and external scanning rather than be a replacement.
28. The opportunities for secondment should be not limited to such hubs with consideration given to inward and outward secondment to other APS agencies, other domestic and international Governments and relevant industry.

29. The Association also supports the ongoing commitment to work with educational institutions such as the Australia and New Zealand School of Government in terms of consideration of core public sector skills although we do wonder whether this could be the function of a remodelled Public Service and Merit Protection Commission if it was properly resourced to do such a function.
- *What should be done to continuously improve the capability of the APS workforce in policy formulation and implementation?*
30. Governments often talk about “evidence-based decisions” but there needs to be a broad understanding that science, engineering, maths and technical skills underpin evidence-based, sound decision making across Government. Consequently roles that require core skills of research and analysis should require those skills to be grounded in an understanding of, and capacity to use, the scientific method. In committing to evidence-based decision making there needs to be a flexibility in policy when responding to changing evidence such as that may result from further research, trials and pilot programs and horizon scanning. A decision to revise a policy or program in the context of new evidence should be welcomed rather than being perceived as a policy failure.
- *What can be done to bring the workforce development approach of the APS up to the level of the best organisations globally?*
31. It is the view of the Association that the Government should support the re-establishment of professional career paths for scientists and engineers across Government (at no detriment to existing career paths within agencies) and support both the achievement of professional status and continuing professional development as regulated by a recognised professional body. Such moves would provide a stronger professional identity and a focal point for specialists from across the physical and natural sciences and engineering working within Government.
- *How do you think a stronger culture of innovation can be fostered?*
32. Placing a greater value on the accumulation of knowledge, qualifications, peer review and professional experience and the fostering of communities of expertise across Government and recognising that scientists, engineers and technology professionals underpin Australian innovation, and hence should play a fundamental role within Australian Government. This includes the capacity and maturity to back expertise over hierarchy.
- *What approaches to engaging with risk are most appropriate for the APS to provide high quality, forward looking and creative policy advice?*
33. The Association agrees with the general tenor of the section “engaging with risk” but would add that the APS needs to have greater tolerance for changing policy or program direction in the light of new evidence and less fear of being perceived to have failed when making such change.

34. The key to Government being able to manage risk effectively is if it has a sufficiently expert and critical in-house capability to allow it to assess problems, formulate solutions and pose informed and, where necessary, difficult questions. There is a fear amongst our broader membership that the APS is either losing, or in some cases has lost, the capacity to ask the right questions through a combination of a lack of appropriate resources and skills and that the consequences for the appropriate management of risk are potentially catastrophic.
35. The Advisory Group would do well to heed the broader lessons learned from the Nimrod Review¹ that have thematic resonances with issues identified by the Australian Defence Organisation. The Nimrod Review identified the following systemic weaknesses with Ministry of Defence personnel practice:
- undervaluing and dilution of engineering skills
 - engineers are not required to have professional status
 - decline in the ability of the MOD to be an “intelligent customer”
 - turf wars and inter-service rivalry for roles
 - constant renaming of posts
 - “double hatting” and “gapping”
 - lack of trained safety engineers
 - selfishness, rewards and promotion for “change”
 - shortage of manpower and skills fade
36. As was noted earlier the APS needs to have a demonstrated capacity to respond positively to new evidence to improve or change policy or program direction. Additionally, the APS needs to understand the likelihood of the risk of policy or program failure if it does not have the internal expertise to be an “intelligent customer” and that in cases like Nimrod that can have catastrophic effects.

Flexibility and agility

- *What is the optimal rate of mobility between APS agencies and other parts of the labour market? What could the APS do to encourage and support greater mobility?*
37. Rather than attempt to determine an optimal rate of mobility it makes more sense to understand when and where there may be value in greater mobility between APS agencies and other parts of the labour market. For some professional groupings there

¹ On 2 September 2006, RAF Nimrod XV230 was on a mission in Southern Afghanistan in support of NATO and Afghani ground forces when it suffered a catastrophic mid-air fire leading to the loss of the aircraft and the death of all 12 crew. A board of inquiry was released in December 2007 and the Nimrod Review, an independent review into the broader issues surrounding the loss of the Nimrod, was established by the then Secretary of State for Defence, the Rt Hon. Des Browne. The Report, “The Loss of RAF Nimrod XV230: A Failure of Leadership, Culture and Priorities” was handed down on 29 October 2009.

may be limited value in greater APS mobility but real value in industry placements that could refresh, transfer and/or deepen technical/professional skills. To encourage such mobility there needs to be an understanding of the different prices in some of those labour markets and the value of being more competitive with those labour markets (otherwise the mobility may be one way!) This is probably a good argument for not having a “one size fits all” approach to pay determination. In a nutshell the value of greater mobility is linked to the capacity of external opportunities to improve and deepen skills and encourage sharing of knowledge.

- *What practical mechanisms could be used to foster a more unified public service culture?*

38. The Association would like to see a revitalised and relevant Public Service and Merit Protection Commission that is able to not just focus on the generic but commit to working with agencies to assess their diverse skill needs. The PSMPS should have the capacity to be a “School for Australian Government.” The Association does not believe that this is a role to be “outsourced” to an external agency but recognises that this would require significant changes to the organisation and the sourcing of appropriate skills and expertise.

39. At the heart of such a renewal there needs to be recognition of the core and specialist skill sets required across Government including a review and recasting of the central APS classification structures to bring them into the 21st century with the re-establishment of professional career and pay structures.

- *What are your top three ideas to encourage the pursuit of continuous improvement across the public service?*

1. A commitment to evidence-based decision making that is matched by a commitment to adequate internal expertise, transparent research and development, action on outcomes of trials and pilots and revision of decision making in the light of new evidence even when this means a change in direction.
2. Recognition of key professional skills at all levels and across Government through professional classification structures and career paths that competitively remunerate these professional skills and promote professional identity.
3. The fostering of communities of expertise within Government Departments and across the APS that are committed to the sharing of knowledge and skills growth.

Efficiency in all aspects of government operations

40. There is no doubt that the APS will be under significant financial pressure as a consequence of changes to the economic environment and measures that needed to be taken to respond to the global financial crisis. This should mean a reordering of Government spending priorities and a communication of these changes in priorities to APS agencies. At the same time it is appropriate for the Government to examine the operations of the APS to see what opportunities there are to deliver services with greater effectiveness and efficiency.

41. However, if there are two words in the public service lexicon that can cause the most discomfort and argument they would be efficiency and productivity. For many these words are often coda for cost-cutting and attempting to do “less with more” with a particular emphasis placed on labour costs. This is particularly the case when public sector organisations are tasked to shave percentages off their budgets without any clear change in policy or program priorities.
42. A key concern for the Association is when changes in the name of efficiency not only lead to less effective policy and program delivery but have the potential for more significant costs through systems failure. A lack of investment in maintaining or building appropriate skills within an agency may assist an agency to meet short term “efficiency dividends” but lead to the agency becoming less innovative and more open to making decisions without adequate internal expertise.
43. A challenge for the APS and, more particularly, the Department of Finance and Deregulation is to come up with approaches to efficiency that are grounded in evidence that we can all believe will improve the operations of the APS.

Conclusion

44. The Association supports the Australian Government’s commitment to engage in public sector reform and to do so through a process that is open to all stakeholders. We look forward to working with the Advisory Group in the development of public sector reforms and the shaping of a 21st century public service and are available to discuss the positions outlined in this submission and consider options for reform.