

## Let's aim for a great Australian public service

Bureaucracy and administration for the public good is a critically important part of society, both from the administration of rights and governance but also in acting on behalf of the community and the elected government. In fact, it was the development of a bureaucracy that brought to an end the endless squabbles in attempts to sewer Paris over a period of 150 years as outlined by Saul (1992):

John Ralston Saul identified some reasons why it took so unnecessarily long to sewer Paris:

- The free market opposed sanitation
- The rich opposed it
- The civilised opposed it
- Most of the educated opposed it
- The market economy angrily and persistently opposed clean public water, sanitation, garbage collection and improved public health because they appeared to be unprofitable enterprises which also limited the individual's freedoms.

The gradual creation of an effective bureaucracy ended the filth and disease.

Yet now bureaucracies can often be dysfunctional and stifle activity and innovation when new ideas and innovations are urgently required. As the late Matt Price said "Bureaucratic incompetence, political blame shifting and a nigh pathological aversion to transparency. Normal procedures indeed." Matt Price "*First deny the truth, then pass the buck*" *The Weekend Australian* June 5-6, 2004.

The valiant effort by the Rudd government to align federal and state jurisdictions is travelling very slowly and health (and probably also environment) remains an enormous issue. An effective option to improve this situation would be for each government agency to have a stakeholder reference committee that has the power to advise the CEO, the Minister and present to Parliament ways to increase customer relevance, reduce bureaucratic processes and seek alignment that currently consumes unnecessary resources and stifles much needed change.

Reactive, short-term, lurching, myopic adhocery is the bureaucratic process often used to counter any activity that is not totally controllable. This is done without consideration of risk of the event reoccurring and of the quantum of the issue. A trade-off between cost and risk and degree of compliance is required to overcome the high cost for minimal gain. The Income Tax Assessment Act is a case where iterations over years have made it unintelligible and determinations by the tax office take inordinate amounts of time. The Henry tax review is most welcomed.

The lack of flexibility in the many processes required for advice about the Victorian bushfires and then for self identification by survivors who lost all in the recent Victorian fires is another example of the inflexibility of rules and processes in bureaucracies. Banks were little different in their approaches also. These are classic cases of institutional dysfunction in systems in real need of constructive change.

Obviously an increase in transparency and regulation is required for the finance industry but without an increase in reporting requirements. Instead, independent audit committees with the power to delve into financial and other issues as they see the need, on the basis that all agencies and corporations have adequate records, are required.

Imparato and Harari (1994) reviewed the research of Stalk and Hout (1990) indicating "that over 95% of in-house business activities add little value in terms of the deliverables that matter to the customer. The plethora of in-house operating procedures and control systems

do little but add weeks to the time cycle". Challenges to systems and traditions that have minimal or no effective gains in productivity for the complexity and time required need to be evaluated so they can be modified or scrapped.

Government agencies seem to have become fossilised in a role of regulation and control which can lead to mediocrity without challenge and innovation. Leadership in government agencies to allow them to provide the best integrated independent advice and recommended action is equally required particularly in crises and recessions. Research and innovation seems to be well behind regulation. A revised charter for agencies is needed to provide dual roles of leadership and innovation, management and regulation.

### **Collapse of complex societies**

The second major process that has occurred for millennia and is closely related to the inability of established systems and institutions to adequately respond to less than optimal performance or to chronic or episodic crises, is the collapse of civilised societies.

Joseph Tainter in his book *The collapse of complex societies* (1988) presents a detailed and very comprehensive review of past societies and their collapses and the factors responsible. Other authors have similar analyses of particular societies. Tainter's general conclusion is that diminishing returns to the complexity in problem solving required of complex societies limits the ability of society to respond sustainably to the challenges they face. Since complex societies are more expensive to maintain, once they are economically or resource limited they have limited reserves to respond to new or crisis situations. If significant natural disasters occur while in this vulnerable state, then societies become much more vulnerable to collapse and like ecosystems will require a major change to be able to return to a viable pre-crisis state, if ever. Others have suggested that voters change democratically elected governments when there are perceived to be unresolved inconsistencies. The inconsistencies arise in policies, inequities in allocation of resources and inequities in attitudes, or elitism from the real world views of the people lead to dysfunctionality. The same is true for institutions and institutionalised churches when ideologies and dogma are inconsistent with current world views.

The transfer of debt to the community, the general run down infrastructure due to the ideology of previous political views of minimal tax wherever possible, rather than investment in building reserves for difficult times has resulted in considerable vulnerability to collapse that needs to be very carefully considered as part of government intervention in the continuing financial crisis. Fixing the economy in isolation (if achievable) is not an adequate solution.

The shape of the society development and collapse curve, (Tainter 1995) is of the form of a symmetric peak shape that reaches an optimum value and then falls away. It increases positively where there are major benefits to society and individuals of differentiation of roles in society from egalitarian, to hierarchical to economically differentiated until an optimum is reached when society becomes vulnerable to collapse and then society and quality of life declines. The optimum point is where dysfunctionality begins to have major impacts on society and the problem solving is no longer adequate to resolve the difficulties and becomes a burden on society. The curve then continues downwards where self interest can lead to prolonged chaos, riots and civil unrest until a new structure and society emerges. Some African countries are probably the best example of current collapsed societies. Strategies to deal with dysfunction thus should avoid any collapse to this less desirable state. If natural disasters occur when a society is vulnerable, the restricted financial capacity means the cost for restoration is too great and collapse is faster. Society and institutions need processes in place for continual, non-dysruptive renewal, or delays and uncertainties

and dysfunction occur. Typically government institutions turn inwards and concentrate on internal processes when threats arise further compounding the dysfunction.

Management by proactively renewing society as each optimum is reached to follow a new and upward trending curve towards anew optimum and actively removing old arrangements no longer suited to the new world view before they become impediments is required to minimise collapse.

The same principles apply to human endeavours. The enlightenment period and advances in science and rational thinking are now being followed by a decline in rational and evidence based approaches towards valuing opinions, intuitions and superstitions which are limiting effectiveness of future planning options. Two examples of these cycles of collapse are:

- "In the history of art you see it repeated throughout the centuries, certain art forms reach a pinnacle of expressivity and then diminish in quality, become more extravagant, more bloated and less substantial, they become baroque until they go broke" *Decline and fall of cinema, Michaela Boland (2004) Perspective View, The Weekend Australian Financial Review July 31- August 1 2004 page 31 quoting from Robert McKee, the world's leading scriptwriting teacher who was in Australia for a lecture tour*
- "There have been peaks of extraordinary thinking and inventiveness throughout human history, often linked to trade and empires. With hindsight, we can see that the peaks tend to be brief" Howkins (2009).

## Recommendations

1. That a Stakeholder Advisory Committee on Service Delivery be established for each agency comprised of key stakeholders and the community as representatives chosen for their personal skills and interaction with the agency. The role would be to critically advise on proposed programs and how to improve the existing programs to reduce institutional dysfunction and unnecessary bureaucracy. Maximum term of 3 years and reporting direct to the CEO, Minister responsible for the portfolio and the Ombudsman or maybe parliament.
2. Opportunities be provided and formally recognised for recently retired staff to act as mentors to new replacement staff. The critical loss of core skills through continual shuffling on the upward movement to higher management positions has severely weakened the skills base and resulted in reinvention of wheels that fall off more frequently than required. The mentorship would be non-binding and subject to agency protocols but at least the next people have access to important historical information that is so quickly lost.
3. Reduce required reporting and implement independent audits of processes and outputs (with 1 to 2 weeks notice). Much of the required reporting of minutiae and progress is never read, nor acted on and as a result, many people are tied up in activities that have limited useful purpose. If only core activities were to be reported on and the provision of audits were carried out, then people could be redirected to more useful productive activities. This saves repeating the same old non-workable solutions. Also new and young people have a clear interest in changing the world which needs to be moderated with some wisdom from the past.
4. Each agency to have a regulatory role and a strong research and advisory role with equal authority in the structure. There would be a healthy tension between the two roles but this would reduce the very poor ad hoc, on-the-fly policy development at

political whim which is poorly thought out and requires continual readjustment. If a research arm was actively out in front considering possible policy options, then more soundly based policy would result.

5. There would need to be career paths for technical and skill excellence rather than only by promotion to manager level. Flexible team leaders could also be readily implemented to allow more flexibility. The public service needs very experienced people with sufficient time to have developed skills and to maintain them so that the best options can be developed. The public service needs to be so far in front with new ideas that people again respect the agencies. Relying on researchers at universities to do this research is not viable. Scientists are rewarded for different outputs, published scientific papers and they cannot realistically focus on the issues of an agency without a continual source of funds. In-house research and skills are vital.
6. Moderation of the responsibilities of middle managers. At this level in an agency, staff receive power and responsibility that causes disruption. From an outside perspective, cooperation is best with junior staff or the CEO. They do not have turf to protect and are free to provide collaborative activities. Also some middle managers have attitudes and personalities that actively discourage cooperative activities because of the need to protect their power base. CEOs need to have groups that can give good feedback about performances of middle managers to guard against empires of no worth. "People suffer two contradictory impulses: a desire for harmony but also fear that their own interests will not be protected. The effect can often undermine cooperation." *Cooperate or die? The Economist, 22 April 2002.*
7. Meetings are really quite inefficient. "Meetings are occasions when people's ideas are lured in and quietly strangled" Adele Ferguson *Meeting me half way. Management Today (1998). November-December, pages 6-7.* It is so common to ring up a person to be told they are in a meeting. Sometimes meetings are used to share already decided outcomes or to control ideas of subordinates. We can do much better and if sharing of information is the aim, there are alternative ways to do this much more effectively. An evaluation of the true benefit /cost of meetings, the benefit and cost of a much reduced frequency of meetings and alternative information sharing may be very revealing. Decision making is another matter but effective decision making meetings are not common.
8. Parliamentary government is often polarised into government and opposition which leads to a mentality of right and wrong, black and white. This is far from the shades of grey of the real world. Thus polarised thinking is limiting and a third way is often the viable alternative that does not have the excesses of either polarised view. More constructive approaches to decision making are in order that do not reflect such vested interests.
9. The public service is to serve the community as well as politicians and particularly the political party in power. This has been a major compromise that has not been well handled in the past. Political capture is only a short term gain and the community suffers. Principles need to be revised to ensure there is greater public participation and service to the community.
10. Rewards for excellence in skills and discipline understanding need to be implemented to keep the good people who understand the business and provide excellent technical advice. Promotion on the basis of these skills is needed as well as managerial promotional opportunities. Also cross disciplinary and synthesis and

integration skills across portfolios are much undervalued and yet very necessary. Incentives are needed for staff to fulfil these roles and develop the skills.

11. All policy advice to the government in power should provide alternative options and views that are well enough researched to understand their limitations. Ideologically driven solutions are costly and often show poor equity in who is most affected – eg the superannuation deductions for the rich.

## References

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