

Submission

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Advisory Group on reform of Australian Government administration
PM&C

Thankyou for the opportunity to provide material I think should be useful for the Advisory Group's task. To be consistent I have not sought to keep my submission confidential. I hope it is accepted in the honest manner it was prepared.

Leadership issues are the basic theme throughout.

Public policy settings are the responsibility of government, and in particular its elected representatives, but that does not make politicians the only ones qualified to lead Australia's administrative organisations. On the contrary:

- Australian Ministers are chosen from an unnecessarily restrictive talent pool - there are great democracies including the USA and France that choose their Ministers (or equivalent) from amongst the best their nations have to offer and feel in no way obliged to restrict their choice to those elected; and
- an elected representative's duty and availability as an Australian Minister will always be clouded by their regional responsibilities to an electorate - France for one considers it conduct unbecoming of a Minister to hold onto an elected office.

Below the Minister a separate structural issue compromises effective leadership within the Australian Public Service (APS).

I note the Advisory Group's statement that the Coombs Royal Commission Report in 1976 helped the transformation of the APS from a highly centralised, prescriptive and hierarchical entity to an organisation that is more devolved and consultative. The APS may have changed but I would say the Coombs transformation has a long way to go because:

- it appears to have stopped at the level of the APS Senior Executive Service (SES) and regardless of their talents and effort few would argue all 'good' ideas should begin and end there;
- government policy which is the source of all subsequent administrative initiative, strategy and action has never been more centrally controlled than it is today by Prime Minister and Cabinet with the Productivity Commission replacing in little more than a decade all the once independent policy authorities, if not expertise, that once populated each Department; and
- while private organisations are working to improve the flow of information both up and down their internal ranks - particularly those affecting core business processes - the APS seems determined to march in the opposite direction. APS leaders appear incapable of making a needed distinction between internal and external information flows, and with only one sanctioned channel of vertical communication through its ranks there is no guarantee an anomaly will not shut down a function, impair its judgment or hide failings.

Private organisations are improving information flows by the use of audits (Quality and Process not just Finance – in Australia the loss of public resources due to bad policy, bad

strategy and bad service delivery dwarfs anything occurring through straight out misappropriation of funds) and the introduction of parallel reporting from staff to independent managers (typically functional and quality). Formal dual track reporting helps the organisation identify room for improvement earlier and reinforces the contact essential for staff motivation.

While the APS goes about business as usual it:

- increases delivery of second rate policy, strategy and processes;
- refuses feedback on leadership performance;
- fails to fully utilise the human capital it has, erodes what remains and prejudices recruitment; and
- is negligent in allowing its Senior Executive Service (SES) to become:
 - lazy – leaving politicians to initiate policy, pleased to follow through but assuming minimal initiative;
 - egocentric – taking 100% ownership of good ideas or extinguishing them if really good and appropriation is not possible;
 - overly risk adverse – doing nothing new or otherwise paying whatever price to have the most popular ‘expert’ on side; and
 - anti-competitive – operating as a collegiate herd.

Presented as above is the extreme outcome of APS shortcomings as a result of absent checks and balances (no independent – internal – review; performance reviews don’t look at processes or quality of deliverables, are one way and ineffective as implemented) leaving staff motivation vulnerable. I have had the time and place to consider the issue because I have worked within the APS for a decade in a position that, by whim of the administrative arrangements, has patchy work and no career path beyond the entry-level position where I am. As an aside I informed the Secretary of this years ago and having done what I could was told with the present Minister the mooted potential to change this arrangement was off again – not reasonable for my position. I have also a decade of senior manager experience in what I consider the most open and competitive private industry sector for innovation associated with the uptake of technology on the planet, and a post graduate degree in public policy with high distinctions in every policy element of that study.

While possibly neither exemplary nor conclusive, the following example is presented to illustrate the thin ice upon which the administration stands.

The APS has an academic turned SES individually responsible for establishing government policy options for a sector with no private industry experience and recruiting an entire policy unit with no private industry experience in the sector either. The sector concerned is arguably the world’s most diverse, creative and intensive user of technology and now has tens of millions of dollars worth of market interventionist dollars primed ready to invest over the next four years. Faced with impossibly steep barriers to international trade and negligible domestic demand, private Australian technology companies in this sector are scarce and the touted ‘innovation’ package will greatly surpasses their capital. One could and would hope good choices will be made. My opinion is the writing is there to suggest funds will flood to the government service provisions, research institutes, education and training that the ‘authority’ understands. The

fundamental market failure – impossibly steep barrier to Australian firms competing internationally – looks to remain totally unaddressed, unresolved and unabated.

I strongly believe the ‘innovation’ package above may deliver needed updates to government services but it will leave private sector conditions unchanged and qualified workers lost and looking for work overseas.

Meanwhile administrative choices made by most other developed countries to attack this sector’s market failures has afforded their industries arguably the cheapest, easiest and most powerful means of forging strong international links with high value added high technology enterprises in existence, and their citizens with the positive externalities of massive consequence that follow.

I believe there are simple reforms of the APS that would greatly improve government administration by an inclusive attitude towards staff for starters. Other than that, as the private sector has known for years there is nothing esoteric about management basics. The consensus on better management can be found in thirty-year-old international Quality Management System precepts. It’s a recipe that includes processes audits (n.b - external audits have a marketing purpose not necessary for government) and twin reporting channels extending beyond middle management.

I am also convinced there are a plethora of ‘good’ administrative ideas worth billions to the Australian economy annually dormant within APS ranks. Are all these ideas really good? Who knows, but in an era of intranets and blogs couldn’t an organisation such as the APS structure a portal’s themes to allow employees to contribute on the wonderful diversity of government service provisions. Most genuinely want to do government business better and there is massive scope for that.

To serve the public good it would be useful to have APS leaders stand back more often and recall that a ready audience is a privilege and that good ideas aren’t guaranteed to make it just because they have ideas that can.

Yours sincerely,

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