

Submission to Reform of Australian Government Administration

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This is a propitious time for a review focused on lifting levels of performance.

This submission does not traverse several important questions raised by the RAGA that are being addressed by the Institute of Public Administration Australia's submission.

This submission focuses on several issues raised by *Reform of Australian Government Administration* (RAGA), but has to be selective despite the rich array of questions.

1. How independent?

The government has sought to strengthen the institution of the public service with considerable success. There is a question of how institutionalised the public service should be in terms of an independent capacity.

One problem area in Westminster systems has been transitions between governments (with conservative governments in several countries in recent decades apparently having the most difficulty in accepting the contribution to be made by a professional public service). For example, compare the belief in Ottawa that the Harper government bypasses the public service and relies on conservative think tanks for policy (or the US model, where distrust of the public service means that professionals don't have policy roles because they cannot rise above the sixth level in an agency hierarchy). Another related area in Australia in the 2000s have been the over ardent advocacy of government programs that engenders claims of ownership.

One issue then is how to minimise the circumstances that give rise to a political mindset that denies the public service can serve successive governments. It may well be that the best way is to affirm at least one agency as symbolising independence. Strengthening the Australian Public Service Commission's (Commissioner's) role is one option for extending the agenda on institutionalising the public service.

2. Enhancing capacity

How far does is there commitment to focusing on policy capacity and advice to a greater extent on the public service. The syndrome of believing in something but acting contrary has been well established in 'Westminster' systems. As has been observed for the UK despite the rhetoric about building policy capacity, the emphasis on 'working around' has meant resorting to external advisers and central agencies rather than cultural transformation (Dean 2009).

At the same time, such a commitment brings the need for a finely tuned public service to be able to deliver high performance that is both focused and which operates under

arrangements conducive to more flexible, pluralist (externally grounded) and horizontal instruments.

In terms of organising for innovation and effective use of capacity, are structural solutions the answer? Three options deserve further examination:

- Smaller federal government – a more streamlined federal level of government with effective and reliable agents down the line.
- Policy ministries. Compare the small policy ministries of the successful Nordic countries and New Zealand.
- Cross-boundary agencies (discussed below)

3. The federation as a delivery system

Australia has been operating with three developed delivery systems. The Australia federal public sector has generally been larger than comparable tiers in other federations, the others (Canada, Germany and the United States) having declined as a proportion of the national public sector (see the recent book, although using dated figures, by Derlien and Peters 2008).

Much of the official literature relevant to Australia has focused on ‘public services’ (rather than simply the ‘public’ or ‘civil’ service) and their delivery – education, health and policing – the stock preoccupations of unitary systems of government. Their provision may involve devolved delivery, but the direct influence of the centre may be stronger than that of a federal system.

Australia continues to have arguably the least significant tier of local government of any comparable OECD country. Figure 6.1 of RAGA has no entries beside local government.) Is there a relationship between countries (e.g. Nordic) with proportionately large local government sectors (perhaps as high as 50%) and success in international rankings? How can a stronger local government tier make a difference in a federal system?

It is proposed therefore that Australia should benchmark with other federal systems as to the scale of the federal level, devolve more delivery to the states, which in turn should be required to devolve more responsibilities to local government.

4. Senior executive service

When created in the 1980s, the intention behind the SES was to have a coherent cadre of senior public servants with skills that would enable them to be redeployed across the public service. The then emphasis on managerial skills looks to be less applicable when policy skills and knowledge workers (professionals and other staff with specialist skill and knowledge) are receiving greater emphasis. However the reinvigoration and definition of the SES as raised in RAGA (Chapter 4) appears timely.

The burgeoning size of the SES supports the need for streamlining. The loss of an APS identity among the senior leadership group should be addressed as proposed by RAGA by combining the application of a more focused set of APS values with

regular involvement in meaningful horizontal activity. In particular the strategic engagement of senior leadership in whole (or cross) government activity should become a significant (in some cases primary) focus of their work.

5. Trust-basis of the public service

RAGA provides country comparisons for citizens' levels of confidence in government handling of the main problems, which produces a good result for Australia that intuitively we can agree with. However, it is linked to trust (but with a qualifier): 'In this regard, Australians have more trust in their government than citizens in most other comparable jurisdictions'. Trust however is a challenging dimension, and there is the question of to what extent the countries represented show up differently and better on other types of questions that seek to tap variations in trust for different governments and the public service.

The so-called 'trust-based systems' of northern Europe continue to rank better in international rankings than Australia. External trust is also argued to flow onto relations between agencies within the public sector.

It may well be that the adversarial politics of Anglophone systems will not facilitate the emergence of a high trust system, yet just as 'trust-based' systems have taken on elements of performance management, it is appropriate for Australia to explore the question of trust further (see the Victorian State Services Authority 2007).

Other countries in various ways (e.g. Canada, Finland, Netherlands and New Zealand) have sought to address trust directly.

This suggests the need for a program for determining the condition of public trust and whether a program is required to enhance it.

6. Citizen engagement

A government agenda has been to broaden participation through inclusive policy processes, and citizen relationships have been diagnosed by the PM as a field for further attention. This area is challenging for the central government tier in a federal system, although delivery agencies (e.g. Centrelink) have extensive experience. The Government Task Force on Government 2.0 is addressing the use of Web 2.0 techniques for supporting community consultation and collaboration.

Otherwise there is an argument that a more comprehensive approach to citizen engagement may occur when the focus is based on area rather than function. The more convincing cases appear to occur at the local and regional levels overseas.

It should also be noted that the Canadian citizen-centred service agenda has been based on a network supported by federal, provincial and local governments. Its development and systematising of comparative performance data and advocacy has done much to enhance Canada's reputation in service improvement (Marson and Heintzman 2009).

7. Performance management

The developed performance management frameworks of Anglophone and cognate systems have been acknowledged to have weaknesses, as expressed bluntly in Australia by the critique of Operation Sunlight.

The latest generation performance management systems have been responding to the demands of over-developed systems, which generate information that is poorly used. Modifications may mean either reducing the reliance on performance management or fine tuning the system (fewer indicators, less reliance on hard indicators etc). There is however an argument that the latter as single-loop thinking is unlikely to offer medium term solutions, which require a double-loop approach. Whatever, serious attention is required as to whether and how ‘users’ are working with performance information, which users are the priority (e.g. the focus on producing information that managers use or new attempts at adapting information for use by politicians). Expectations for citizens as users are also challenging in practice (van Dooren, Bouckaert and Halligan 2010).

In recent years, there have also been interesting experiments with using both performance and trust as the bases for relationships. The standard performance management logic sequence can also be seen as running from inputs, outputs to outcomes, and then to trust.

Canada now receives far more attention internationally for MAF (Management Accountability Framework) than Australian’s initiatives of the past. MAF provides a persuasive summary of relevant elements (drawing on the experience of other countries), but which has acknowledged limitations in practice.

The experiments with ‘performance governance’ (Bouckaert and Halligan 2008) point to the potential for both engagement of citizens in aspects of performance management and of the potential of broader approach than one level of government: ie a national framework.

8. Horizontality and cross-boundary activity

Whole of Government (in the generic sense employed in the MAC *Connecting Government Report*, 2004) now has a five year history with some success in raising consciousness and practice, but with much of the experience not that different from traditional coordination, and good will often being the loser when squaring up against the imperatives of the functional department.

New generation experiments internationally favour

- Program-based initiatives that are mandated as cross-agency
- Integrated service delivery based on networks
- Specialist units that stand outside conventional departments and operating procedures. They may incorporate non-government players (e.g. the Danish MindLab).

On the third option, the strategic policy hubs flagged by RAGA are highly relevant.

9. *Building the best public service*

Two Danish academics recently presented a paper that sought to explain why Denmark had come out top of one of the rankings. The several-layered argument was persuasive as far as it went. It appeared that a combination of mutually reinforcing factors was important, but how lessons could be derived extracted and borrowed was less apparent. In fact some features go against conventional wisdom elsewhere about appropriate organisation etc.

It remains unclear whether a number of the factors that go into the building of the best public service can be addressed in a single review process. This suggests the need for a unit to sustain the focus, perhaps at least one step removed from day-to-day management. One option might be to locate it in a strengthened APSC.

10. *Registering AU as an international model*

Australia continues to have, as RAGA observes, an excellent reputation for quality public administration. In the past it has also been regarded highly as a leader of reform and innovation.

These days international reputations are influenced by rankings and effective self-promotion. However, reputations are often poorly grounded. For example, Service Canada (a concept originally influenced by Centrelink) has now lost its lustre for some insiders because it is underachieving on the grander objectives. Yet outsiders continue to see it as an innovative beacon in international terms.

It appears time for Australia to again be at the cutting edge of international public administration. In building the world's best public service, one would hope that the combination of a creative mix of reforms plus several innovations of international significance will provide the evidence for the international community.

Sources

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