

Reform of Australian Government Administration

Building the world's best public service

Response by the Department of Health and Ageing to a report by the Advisory Group on Reform of Australian Government Administration, October 2009

Introduction

The Department of Health and Ageing welcomes the opportunity to respond to the consultation report 'Reform of Australian Government Administration: Building the world's best public service' (the Report) and to contribute to the development of a vigorous and vibrant public service for the 21st century.

Consistent with the objectives of the Report, the Department has consulted with staff through targeted focus groups, among the senior executive service and through informal discussions within individual business units in developing its response.

The Department's response seeks to reflect the many challenges faced by a large organisation of almost 5,000 staff with a central and regional presence and a number of portfolio agencies, which manages a significant proportion of government funding and works closely with professional groups, industry and consumers.

Overview of themes

At the outset, we would express on behalf of all staff in the Department, the valuable opportunity there is in reflecting on the APS, its strengths and weaknesses in the modern era and, as with the health system more broadly, the emerging challenges it faces.

To summarise the key themes of our response, there are a number of areas where there is opportunity to drive long term structural reform to the APS to contribute to building a strong, fair and prosperous nation.

The first is to reflect on and reform how we do business and engage with citizens and stakeholders – technology is a key enabler, the revolution that is modern communications needs to be fully embraced and other areas of key national infrastructure can guide us on how to do better.

Secondly and a related point, is to put ourselves in the place of those to whom we deliver services (the Australian people) to understand their perspective and how government programs and services can best be delivered.

Thirdly, we need to acknowledge that, while the public service as a system has strengths, it also has specific features – such as a focus on accountability and risk minimisation - which drive how agencies are structured and do business. Not all of these features encourage innovation and streamlined

business models. The capacity to be innovative and to be ahead of emerging issues needs to be valued and embedded in how we work.

Finally, we need to value our people, build their capacity and broaden our reach to link with industry, professional groups, the research community and at a regional and international level to enable us to attract and develop high quality ideas and be at the forefront of thinking.

These themes are examined further below with some case studies or scenarios to illustrate our views.

Chapter 1: The APS Today

As noted in the discussion paper, the APS has evolved over time particularly in embracing a broad range of accountabilities. Within the Department of Health and Ageing, this evolution is clear.

The Department was formed in 1921 to combat infectious diseases and promote good health across the nation. Benefit functions were added in the 1940s to support access to medical and pharmaceutical services. As the burden of disease has changed, our accountabilities have extended to support management of chronic disease and specific interventions for high need groups such as mental health and Indigenous health, and to ensure there is a skilled workforce to address health needs. The Department's responsibilities now reach across:

- regulatory functions such as those of the Therapeutic Goods Administration
- policy and programs to improve access to medical and pharmaceutical services including the large health care reimbursement programs of the Medicare Benefits Schedule and Pharmaceutical Benefits Schedule which together have expenditure near \$22 billion
- programs and funding for residential and community aged care (a further \$9 billion)
- a variety of population health activities such as screening programs, physical activity funding and drug and alcohol interventions
- responsibilities in the acute care and related sectors (including the private sector) and for the health workforce, in partnership with States and Territories
- a critical national leadership role for health emergencies and preparedness.

To perform these functions effectively the Department has, and must continue to attract, a diverse workforce including those with scientific and technical expertise, health economists, health professionals (doctors, nurses and allied health professionals) – some of whom continue to practice in a part time capacity as direct providers of health services – aged care and health administrators as well as those skilled in policy development and program management.

Consistent with broader public sector trends, though a long standing feature of this Department, is the strong representation of women including in senior executive roles. 70% of the ongoing employees of the department are women as are 65% of those at the senior executive level.

The anecdotal feedback from our employees is that they see themselves as committed, professional and skilled people with a strong motivation to improve the quality of life in Australia, that they have a strong record of integrity, commitment and achievement over many years and that they carry a high level of responsibility for complex policy and services fundamental to our quality of life.

To be effective, the APS needs to be able to sustain a workforce that is diverse and adaptable and that has the skills to operate in complex environments. To date, the Department has developed a number of innovative ways to attract and retain a diverse workforce. An example is provided below.

We annually recruit advanced trainees in Public Health Medicine, who undergo a three year competency based program across the Department under dual supervision of departmental officers and fellows of the faculty of Public Health Medicine. The trainees are awarded a fellowship with the Australasian Faculty of Public Health Medicine, and become Public Health Physicians.

Chapter 2: Challenges in the Strategic Environment

The Report identifies a range of areas that increase the complexity of public administration, reflecting the increasing complexities of society: policy complexity, increasing public expectations, demographic change, technological change, globalisation and financial pressures. This mirrors many of the challenges that our health system also faces.

With these complexities however come enormous opportunities to change how we do business and how we engage with citizens, partly enabled and driven by technological change and the ‘communications revolution’, but strongly supported by public expectations and the desire of governments to ensure that Australia remains ‘strong, fair and prosperous’.

In the health and aged care arena, as for the public service, our foundations are strong. According to Australia’s Health 2008, the overall health of Australians continues to improve and we have one of the highest life expectancy rates in the world (second only to Japan). At the same time we face an enormous number of policy challenges that require us to be forward looking and innovative, and which will challenge the way in which we develop policy, manage programs and communicate within and outside the public service and internationally. Some of our key health challenges include:

- population ageing and the growing burden of chronic disease and the capacity of our current structures and programs to manage demographic pressures effectively
- the emergence of new and expensive technologies and how these can be efficiently incorporated into health spending
- a sustainable and skilled workforce able to work together effectively and reflect and improve practice
- addressing disadvantage – for Indigenous Australians, marginalised groups and communities including locational disadvantage and those with specific needs (such as mental health).

To be effective as an APS in this environment will require:

- An adherence to the evidence base: partnering with the research community, health professionals, healthcare organisations and consumers to ensure that public policy is firmly grounded in ‘what works’ and of equal importance that this is translated into changes to practice and behaviours on the ground. Too often there is a broad acceptance of what the evidence says but little translation of that into every day practice. In fact at times program structures and delivery mechanisms work against best practice.
- Being forward looking: we need to value horizon scanning and quarantine at least some parts of departments to be able to look ahead and build relationships across government, with stakeholder communities and internationally. This is discussed further in response to chapter 5 below.
- Engaging with stakeholders in a way that builds understanding and consensus and a shared responsibility for programs and policies. Our external relationships are fundamental to being effective as policy makers – without knowledge of what happens on the ground, policy cannot be finetuned and adapted, nor will emerging issues be quickly identified. Equally there needs to be strong relationships of trust where stakeholders recognise the competing pressures that governments face.
- Being willing to do things differently. As a public sector we are at times too focussed on ‘the rules’ or ‘the way we’ve always done this’. This is grounded in the need to have certainty as to how public monies are spent, and the fact that whole delivery and provider systems organise themselves around financing arrangements but equally it can work against innovation and agility.
- Thinking about how we communicate and how we enable access. There are many lessons from other sectors in how to use modern systems to communicate effectively and be accessible. The banking sector, for example, has been at the forefront of e-transactions, putting consumer needs at the centre and adapting their business practices around them.
- Being willing to use modern communications technologies. The boxed example below is work done within DOHA to use web-based communication in the context of health reform. This is a way to communicate in the future, allowing the views of a broader public to be reached and generating an open engagement with and between citizens and policy makers to guide thinking and share solutions.

www.yourHealth.gov.au provides a single platform for online community engagement across three major reports on health reform. The website allows citizens to read the report recommendations; post blogs; share links; vote in quick polls, give detailed reactions; tell their own health story; or post a video. It uses Twitter, RSS and email. It also cross-links a large number of health-related sites.

The website is continually updated to add new ways of making submissions and new ways of visualising content, for example by mapping the location of submissions and consultation activities. Since it commenced the website has received over 141,000 unique visitors.

Public administration is being conducted in an increasingly volatile and uncertain environment, and the APS must continue to meet and resolve these issues as they arise. At the highest level, the overarching challenge is for the APS to strike the right balance between competing pressures:

- Delivering support to Government which is mobile, adaptive and fast and delivering over the horizon thinking which has real substance and intelligent anticipation
- Serving Minister(s) and meeting accountability obligations and encouraging a reasonable level of risk taking by employees
- Responding quickly to complex requests and building policies based on evidence gathered over time
- Offering innovative and creative proposals while making incremental improvements to long term programs or services
- One-to-one interactions with citizens and aggregating evidence and developing integrated, balanced responses to competing needs

Achieving that balance requires: a professional and committed core of public servants; a senior leadership group that leads, rewards and encourages employees; and sufficient funding flexibility so that activities that provide longer term benefits, like research, or intangible benefits, like training, are not sacrificed for short term utility.

The need for the APS to maintain and improve responsiveness to short term pressures is arguably the most significant change in recent years. Technology has been a major contributor to these pressures. One of the more obvious changes is that the Government and APS no longer control the release of information, or the way it flows into the Parliament and the public arena. This imposes significant pressure on agency capacity, and frequently tests the ability of procedural and accountability frameworks to respond quickly.

The financial pressures faced by government spread over the short, medium and long term, as the Paper correctly sets out, means that the APS will need to become more effective at fiscal prudence. It may be worthwhile investing some of the Gershon ICT review funding pool in analysing and developing ways program and project management – both skills and tools - to improve the efficiency and effectiveness of all government agencies.

The public service architecture, the financial, accountability, performance and employment frameworks, have varied over time as circumstances changed, with the objective of giving the APS the capabilities necessary to meet accountabilities. The current frameworks had their intended effect of aligning accountability and control over resources, but may have gone too far with flexibility in program implementation, service delivery and corporate administration. It will be a delicate task to re-align that architecture to enhance the ability of the APS to overcome future challenges; and at the same time support the capacity of departments to 'do more with less'.

Chapter 3: Aspiration for Australia's public service

Australia's public service can legitimately aspire to be the best public service in the world as proposed in the possible aspiration for the APS.

In discussions with our employees, there was a close connection to the five characteristics of high performance cited on page 11 of the Report as sources of motivation. In particular, providing high quality, forward looking and creative policy advice and delivering high quality programs that put the citizen first.

This is reinforced in our annual staff surveys, which suggest that the opportunity to contribute to improved health outcomes is a strong motivator. Our employees strongly connect with the sense of 'serving the public' within the policy and program framework determined by the government. Many of the characteristics of this relationship is described in the Values of the Australian Public Service, in particular that 'the APS delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public'.

When the proposed aspiration was tested in focus groups in the Department, employees consistently said that their aspiration was to deliver the best possible programs and services. They did not relate strongly to an internalised aspiration about the quality of the APS as an organisation. An aspirational statement which captures the idea that citizens will have better outcomes, as a result of employees belonging to the best public service in the world, will energise employees and ensure they are active participants in proposed reforms.

Chapter 4: Values driven culture that retains public trust

As a general rule, organisations take some time to adopt a common set of values, and this is particularly true in a diverse organisation such as the APS. The current values are relatively young, in change management terms, and so we think it would be desirable to retain the tenor of the present Values but reframe them in contemporary language more attuned to the current and prospective APS workforce, and review them for any overlap or potential to synthesize.

We would suggest adding values to reflect all the characteristics of a high performing public service, in particular:

- citizen centric philosophy – while this is implicit in several of the current values, being explicit about 'enabling citizens access to government, improving consultation and providing a citizen centred approach to service delivery' – is a critical foundation of a reformed APS and should be clearly expressed in APS values
- the importance of collaboration and consultation across government and across the APS – many current challenges cannot be isolated to a single portfolio area of responsibility but require sustained and coherent action across many areas and in partnership with local communities and external stakeholders
- the importance of efficient and prudent consumption of public funds: making the APS continually evaluate the effectiveness of interventions and ensure value for money.

- The Values do not stand alone, of course, and desired behaviours are reinforced by the Code of Conduct. If the Values change, it would be timely also to review the Code of Conduct and the process, to address areas of ambiguity.

The role of senior leaders

Senior leadership is essential to a change agenda, and senior leaders need to espouse the need for collaboration, cooperation and innovation. As an APS, we need to reflect on how we are structured and how that impacts on behaviour. To have a significant impact on levels of collaboration, cooperation and innovation needs a 'streamlined, unified leadership cadre ... with a clearly articulated role to consider and progress cross-government strategic priorities'. This group will be pivotal in advocating, modelling and rewarding such behaviour.

All SES should be very clear about the expectations on them as role models across the breadth of their work: how they develop policy, manage programs and deliver services, how they relate to others both within and outside organisations; and how they reward and encourage others. It is timely for the senior leadership group to take a highly visible role in upholding APS values, and demonstrating and reinforcing desired behaviours including the approach to cross-government strategic priorities. This should form part of an integrated change plan to support the overall reforms, with communication key to effective implementation. Working across government effectively should be an expectation on all APS leaders.

More specifically, driving cross government reform agendas through dedicated teams or leadership will mean different ways of doing business and will be challenging for current structures, particularly the primary responsibility of individual Departments and their portfolio secretaries to the portfolio Minister. While these issues can be managed and there are already examples of good practice in this regard (example below), it does mean that Ministers and Ministers' offices also need to be fully supportive of and that there are mirror processes at the political level that enable open communication and shared problem solving.

We have been working with the Northern Territory Government, the community health sector and Aboriginal and Torres Strait Islander people to provide long term expansion and reform of primary health care services to Indigenous people living in remote Northern Territory communities. This has involved additional funding; system wide approaches to Continuous Quality Improvement; a core service delivery framework; a key performance indicator reporting framework; hub services; and workforce supplementation and regionalisation. The Northern Territory Aboriginal Health Forum, comprising government representatives and representatives of the Aboriginal Medical Services Alliance Northern Territory, provide strategic guidance and a consensus decision making forum.

If a leadership cadre is to have role in this area, protocols should be developed that guide how priorities are set, the options that may be effective in promoting shared agendas, how individual leaders will relate and most importantly what the mirror arrangements at the political level could comprise.

Accountability and Trust

There are many examples where the APS has supported the government of the day to respond to difficult policy challenges, and there is a high level of public confidence in the capacity of the APS to provide well founded, clear and timely advice. A recent example is the response to the H1N1 (2009) pandemic. It is important that the APS continue to have the necessary skills and independence to support governments in this way.

While reforms to freedom of information, protection for whistleblowers, and a review of the privacy framework will contribute to strengthening accountability and trust, it is important to acknowledge that progress in these areas will mean cultural change for the APS and governments and for citizens.

To operate in an environment of openness and transparency brings risks, particularly a potential loss of control over information, policy thinking, and policy responses. Importantly, to be more open requires an acceptance from citizens that governments routinely make choices, assess risks and balance interests. Ideally, citizens begin to participate and take responsibility for solving policy problems where there is greater transparency and sharing of information. This should be encouraged but will take cultural change.

Barriers to promoting a values driven culture

In addition to earlier comments on APS values and the importance of unified APS leadership, we would add our agreement at the importance of a culture of external engagement. Within DOHA this occurs at a number of levels:

- Through a diverse workforce, many of whom have previous experience in and around the health and aged care sectors
- In our expectations of program managers and leaders to engage strongly with their communities of interest
- By developing and nurturing strong connections with industry, professional organisations and the research community

We would strongly support other efforts to improve mobility and communication across government, private and non-government sectors (noting that there are areas where this can prove difficult, for example where there is a regulatory role or commercial interests) and share the concern expressed in the Report about succession planning, skills development and talent management. We are in the process of developing a People Strategy that is addressing many of these issues as noted below.

The draft People Strategy 2010-2015: Performance Through People outlines our five year approach to attracting, retaining, building capability and motivating our people to continuously improve and deliver outstanding performance. We also want to give our staff the skills to balance the demands of their work and private lives, build/maintain resilience and improve their health and wellbeing. We have set five high-level goals to meet our challenges covering attraction and retention of staff through to leadership and capability building and performance improvement.

Chapter 5: High quality, forward looking and creative policy advice

We support the emphasis in the Paper on the imperatives for excellence in policy advice, and agree that it requires high performance in policy formulation, policy integration, human capital and performance management, and an unwavering focus on citizens.

Our policy formulation is, necessarily, outward looking and informed by stakeholder and expert views. Contact with front line service providers is a priority for DOHA, as is collaboration with other departments, although this often focuses on current government priorities rather than occurring in a more routine way.

The Department led the development of the Fourth National Mental Health Plan: an agenda for collaborative government action in mental health 2009-2014. The Plan takes a whole of government approach to ensure integration and alignment of effort to achieve better care for people with mental illness. Its implementation will be overseen by a cross sectoral Implementation Working Group comprising Commonwealth and state representatives from mental health, aged care, housing, correctional services, police and alcohol and other drugs portfolios.

Given the current budget funding processes and accountability structures, there is an inherent tension between collaboration and competition in the development of cross-agency proposals that require funding and offsets. Such tensions can be productive, leading to innovative funding and service delivery solutions, but they can also have a negative effect. Solutions to the funding tension are not easy to devise, but are an essential precursor to wide-spread, and voluntary, constructive development of cross-agency proposals.

We have found that working in analogous structures, such as on COAG reforms, have improved the quality and innovation of the advice government received, and consider there are real benefits in the establishment of strategic policy hubs focussed on areas that cross jurisdictional and portfolio boundaries. Hubs will be most effective when departments retain their vertical levels of expertise and evidence, to balance the horizontal benefits of collaboration and integration. Ideally hubs would not deplete the expertise of departments, but rather build that expertise through hosting arrangements.

It would be self-defeating and a waste of resources if hubs do not remain sharp and focussed. We suggest that they should be subject specific and time-limited, and that employees should be engaged for a limited time to avoid building a cadre that works outside the normal responsibilities of line agencies and is therefore narrow in approach.

There are also some practical constraints on the extent to which there can be an open sharing of information and considerations. For example, one of our major clients is the pharmaceutical industry, which is also active in research and associated businesses. It will be important to have open and transparent conflict of interest procedures as part of a wider engagement, particularly with business.

Capability of workforce

An overarching human capital strategy is the most effective way to achieve continuous improvement in the capability of the APS workforce in policy formulation and implementation, and to bring the workforce development approach of the APS to the level of the best organisations globally. It should be a priority for the reform program. A focus on learning and development, skills acquisition, workforce planning and succession planning are high priorities.

In that context, it is timely to review the balance between capability frameworks and the skills needed for various roles. To achieve excellence in policy formulation, staff need to be trained in the particular skills of policy development and research. The human capital strategy should reflect this need for technical training, in addition to more general training and management/leadership skills.

The Department has a learning and development framework that emphasises business outcomes and approaches. This is supported by an enterprise wide learning management system and training curriculum to address identified skills gaps. Training encompasses topics to address the range of skill sets needed, both general and specific, within the department's work force and employs multi strategy approaches including tertiary study, short classroom courses, e-learning, executive briefings and lunchtime network events, complemented by workplace learning .

Innovation

Data-sharing must become part of APS reforms, as it is essential for strengthening evidence-based policy, and for collaboration. The reform agenda could include the development of national standards for data-sharing, including control of data by custodians; intellectual property rights associated with new data products; protection of privacy and confidentiality; rights to publish data; and statistical standards for integrating data. For the APS there is a further issue, of what is kept secret to departments and to Government.

A significant change in recent years has been the progressive abolition of research areas within departments, with resources transferred to short term and urgent priorities. This is in sharp contrast to many big corporations that invest heavily in research and development. DOHA has maintained some research capacity, and we use program evaluation and statistical sources extensively. The capacity for departments to undertake their own research or to partner with external organisations should be protected.

There is more that can be done to monitor and report on progress and to work together on shared priorities across government. The concept of using budget and capability frameworks for this purpose is sound and we would support their introduction. The Department presently aligns performance agreements with the corporate plan, and it would not be a large step to align them with the budget framework, agency capability review and effective implementation. It will be important that those frameworks are designed so that they can be filtered through corporate planning and so translated to the individual level.

Chapter 6: High quality, effective programs and services focused on the needs of citizens

Focussing programs and services on the needs of citizens will be one of the more challenging elements of this reform package, as it is for the broader health reform agenda. Citizens rightly expect government services, both Commonwealth and State, to be delivered cohesively – they do not feel a need to understand which component of government is delivering that service, nor should they. A citizen-centric philosophy requires critical review of the way the APS is organised and the way it engages with citizens.

DOHA already makes extensive use of consultation, with clients, stakeholders, advocates and lobby groups, and service providers - some groups are funded so that their advice and perspective is available in policy and program development. These are generally effective, but they tend to be time-expensive and slow, and that they are not well suited to active engagement with citizens.

The current health reform package requires the broadest possible active engagement of citizens as well as traditional stakeholders, and the 'yourHealth' website is meeting that need. We are looking to adapt that approach to other areas. We are also keen to participate and where possible implement the agreed recommendations of the Government 2.0 Taskforce.

As a starting point, there needs to be recognition of the factors that result in the APS not always behaving in a citizen-centric way. One of these is that the APS is organised into units that are generally well suited for internal purposes, but may not be the best fit for citizen-focussed services. Routinely, stakeholders and citizens report that getting access to the APS and being heard can be a difficult navigational challenge:

- It can be 'rules-driven' and bureaucratic in approach, and can struggle to deal with issues that do not fit easily within existing structures or programs
- An emphasis on compliance and risk avoidance can hinder responses to citizen needs
- It can be difficult for people to know where to go on specific issues – people will often report 'bouncing around' government departments trying to find the person who can help them

While these are 'perceptions' and not necessarily facts and there are many examples where flexibility and capacity to work across and outside government work very effectively, we as an APS need to understand and listen to how we are perceived and work actively to address these issues.

We can learn from the banking sector and our major service delivery agencies about how to change our focus, by changing systems and ways of working:

- Where we fund a variety of services through a single provider, we need to apply case management techniques, to simplify administrative and reporting requirements, and focus on the citizen
- Where appropriate, tender processes should encourage and reward providers that take a citizen focussed approach

- For multiple service deliverers in one geographic location, we should investigate the feasibility of a ‘one stop shop’ approach.
- Our websites could be integrated more effectively to present a single gateway that give ease of access to consumers– banks typically have a number of discrete organisational structures, but present a unified face to the community
- More our services could be web-based. Some of the biggest APS service agencies like the ATO and Centrelink are well advanced, but this is not true across the board
- We need to engage more actively with service delivery partners to ensure services are integrated for the consumer.
 - In the health arena there are many reforms that can be achieved by changing the way we engage with providers and customers. As an APS we need to be willing to embrace these opportunities for innovation, including through the use of technology. There are many examples in the health sphere that need to be embraced to deliver long term improvements to patient outcomes and ensure services are clinically effective and cost effective. E-health brings significant opportunities in this regard as noted below.

E-Health can change the way in which practitioners interact with each other and with patients. By moving to an individual electronic health record, for example, health information attaches to the patient rather than the place of service. With this the focus of health care moves away from individual care settings and discrete care ‘events’ and focuses instead on the end to end health care needs of the patient. This will impact in a positive way on provider work practices and relationship, will encourage multidisciplinary care and reduce duplication and adverse events with associated improvements in the quality of care.

In a similar vein, use of web tools and modern communications can revolutionise how services are provided and individuals are supported in managing their own health conditions – trials are already occurring in the areas of chronic disease management and mental health.

We also need to address our accountability frameworks, so that rules, compliance and risk management take their proper role and do not subordinate the needs of citizens.

Chapter 7: Flexibility and Agility

Mobility within the APS is one of the best ways to encourage unity, collaboration and knowledge sharing. Proposals that encourage employees to move more readily between agencies should be supported. There are benefits to be gained from a common remuneration structure (including terms and conditions), in that it will go some way to a level recruiting field. Focus groups strongly supported a common structure, and indicated that it would improve mobility, even for those who had spent much of their working career in the Department.

At the same time there needs to be a more flexible employment framework that encourages movement between the public and private sectors, non-government and research communities.

Employment conditions and – particularly – superannuation need to be able to accommodate movement of this type. Many employees of universities and teaching hospitals will face a significant pay disparity were they to move to the APS, for example to join a strategic policy hub. To be truly effective, mobility should operate in both directions and can be encouraged by portability of leave entitlements.

We would also be keen to see measures to reinvigorate the use of all employment classifications. Re-calibrating this fundamental underpinning element of the employment framework service wide would allow us to retain lower classification employees and mitigate the degree of classification creep, enabling employment opportunities for a broader cross section of the Australian community.

While mobility is important, so too is the need to retain our highly professional and skilled staff for the long term. We face considerable difficulties with the ageing of the APS workforce – an issue for all departments – and one that is further complicated by the incentives for many to retire at an early age. These incentives continue to deplete the APS workforce and senior executive ranks in particular, and do so at a time when officers are operating with a high level of skill and experience and are very difficult to replace.

Unified APS culture

A common employment framework will ensure a common approach to upholding values, among other things. Given that all agencies also employ contractors and consultants, it would be easy to amend the Commonwealth Procurement Guidelines, so that the same provisions are clearly provided to bind contractors and consultants in the same way as are employees.

The employment framework should recognise the core of professional APS employees within the broader workforce. Their permanent status means they provide leadership, guidance between competing tensions and areas of ambiguity, and continuity of knowledge over the longer term. This is a different role to other APS workers.

We would also suggest that we should take the opportunity of this reform process to review the Public Service Act again, particularly the Regulations. There is scope for further streamlining and simplification, for example the Public Service Regulations about long term contracts.

Generally we would support the re-introduction of universal entry, as an effective way to re-enforce the one-APS employer, and as a means of delivering efficiencies. Consistent with previous comments about human resources, we would support broader training and leadership development. Rather than frameworks, we would prefer to see this given effect through common rules and direction, with capacity for agencies to graft local rules; and to develop and release common training programs, noting that agencies will supplement these with local training.

Chapter 8: Efficiency in all aspects of government operations

The accountability frameworks of the APS need review. While parent (legislative) documentation is generally clear and concise, there are several layers of documentation below that of increasing

detail. For example, in procurement and grant activities there are the Financial Management and Accountability Act Regulations, the Commonwealth Procurement Guidelines and the Commonwealth Grant Guidelines, plus Chief Executive Instructions, business rules and procedures at agency levels. There are strong arguments for one set of documentation, broken into two parts: the 'rules' that must be followed across the APS; and any associated guidance and explanation of those rules. There are similar examples in most of the devolved but common processes across the APS like recruitment, and accounts payable and receivable.

The recent move to improve the purchasing power of the Commonwealth is welcome. Our systems and accountability frameworks are also a significant issue, both when it comes to 'doing more with less' and in re-aligning spending with government priorities. By changing systems, change can be generated on the ground:

- Diverse accounting and financial systems rely on manual input or processing, and resulting in a compliance burden for individual staff rather than using the system to determine compliance. The resultant emphasis on compliance as an outcome in its own right diverts from focussing on outputs, innovation and creative responses
- There should be a surrogate for the profit margin used in the private sector. There remain too many instances of unnecessary expenditure
- Program funding is allocated by the government for a finite period. The programs, once operational, move into 'business as usual' with project management techniques and skills not used sufficiently to review for cost-effectiveness and achievement of outcomes. We could also improve systems for identifying and re-allocating expenditure once programs finish or change in emphasis

Change program

The reform directions foreshadowed in this Report represent a significant change program, at a time when the APS is under acute financial and performance pressure. The changes will take some time to be effective, as they centre on changed behaviours and practices. We would suggest that a dynamic change program will need to underpin the reforms, so that all APS employees are informed, encouraged and educated to change the way they currently operate. This may require a sequential approach to change, with priorities developed in line with the priorities of Government, but must be the main priority not only for the senior leadership cadre but for all SES.