

Submission to the advisory group on reform of Australian government administration.
Sent to reformgovernment@pmc.gov.au

I am making this submission in my private capacity. In it I draw attention to and draw on the remoteFOCUS project which is facilitated by Desert Knowledge Australia, a statutory corporation of the Northern Territory, the Board of which I chair. That project involves a range of Australians with extensive experience in public administration across remote Australia who are concerned about failures in the governance of governments across the 85% of Australia which is classed as remote and very remote. That area contains less than 5% of Australia's population but is of great economic, environmental, cultural, and strategic importance to the nation. (The prospectus *remoteFOCUS: Revitalising Remote Australia* can be downloaded from www.desertknowledge.com.au/remotefocus.) However the views expressed in this submission are my own, informed of course by the views and knowledge of others as expressed in the prospectus and elsewhere.

My submission is particularly relevant to Chapter 6 of the discussion paper but touches on other chapters including chapter 5. The core of the submission is that particular attention is required to the functioning of the public service outside the 15% of the country where 95% of the population, and of course the electors, reside. Circumstances are different and both policy making and delivery of policy are often inadequate for the needs and entitlements of those who reside there. The prospectus discusses this at greater length than I will here but the successive attempts to make government work in remote Australia, often in an Indigenous context but more widely, reflect the reality that the ordinary processes are inadequate. The 1992 Statement of Commitment by all Australian governments aimed at ensuring governments met their obligations to Indigenous Australians. The same problems remained to be addressed in the COAG trials under the last Government and are now being addressed in the COAG context, in each case with some but limited success. Successive extraordinary interventions are not required when the ordinary processes work.

It is important to note that these issues are not confined to the Indigenous community nor to regions which can glibly be said to be a problem because they lack a "real economy". The Pilbara, a centre of wealth production and 80% non-Indigenous, suffers from various crises in government service delivery and is currently the subject of various special initiatives, the ordinary processes having produced poor outcomes over a long period.

Services

Chapter 6 correctly identifies what is required for high performance. In remote Australia however, as a generality, programs and services ARE NOT citizen centred, well designed, delivered by capable people and well managed. Examples abound of policy made in Canberra with no input from those affected, not designed to take into account often difficult operating realities, delivered by untrained personnel with no local contacts or knowledge who have inadequate facilities to deliver. I have over the last year drawn the attention of departments (and occasionally Ministers) to particular examples of all of the above including the implementation of changes to job search and CDEP arrangements in the desert, the implementation of remote area service

delivery reforms in conjunction with the Northern Territory, the long term policy impact of across the board income management, as against the selective Cape York model, imposed in the NT because of limited administrative capacity to do anything else.

The passage in Chapter 6 headed “Citizen centred philosophy” is the reverse of what has generally applied in the past and while acknowledging current efforts to address this, the remote area service agreement between the States/Territory and Commonwealth contains inbuilt contradictions because the consultative approaches mandated are incompatible with the timetables in the same agreement.

I acknowledge the valiant efforts currently being made to “drive and deliver change on the frontline” as suggested on the following page of the discussion document (including by the Coordinator General, but again the existence of his role suggests the ordinary processes don’t work) but too often accountability still seems to be to process rather than for results. SIHIP has been a recent example of process seemingly impeding results. And in terms of “capable people” I have recently drawn departmental and Ministerial attention to particular examples of people operating in the field without the communication skills to undertake citizen engagement or even knowledge of who they were talking to. Of course there are excellent positive examples but there are many in the field without collaboration skills, skills in working with other agencies and communities, and in particular project management skills seem rare.

Possible reform directions

Focus on citizens is difficult if not impossible if one size fits all policies are adopted. The PM’s comment that we may need not one solution but 200 solutions sits uncomfortably with centrally determined Australia wide policies and administrative approaches.

What is needed for remote Australia is a less centralised system which allows the people who live there a voice in both policy development and administration. The remoteFOCUS project has got to the point where key areas for reform include reforming government resourcing arrangements (the money flows), how services are delivered, how government itself works and is structured, and reforming community and regional structures and capacities so that bottom up engagement can occur. Specific proposals are still being developed across these areas but the fundamental point is that for remote Australia, if the frontline experience of its 5% of the population is going to be “captured and incorporated into service delivery agency processes”, those agencies need to have the political, legal, financial and administrative capacity to be different in remote Australia. Otherwise it is all just words.

Within present structures ICCs are an example of trying to deliver across departmental and program boundaries. Other examples are the Katherine West Health Board, the Aboriginal education programs of the Graham (Polly) Farmer Foundation, the aged and disability services pilot project at Looma in the Kimberleys, and the recently agreed regional partnership agreement for Groote Eylandt. These models are useful examples of how service delivery can be improved and made more client

oriented. Each is also a reminder that they are needed because the ordinary processes are not effective.

In terms of the questions posed for discussion in chapter 6:

From the perspective of remote Australia it is not possible to embed a citizen centred philosophy in all aspects of program and service design and delivery without having the legal capacity to differentiate in different parts of Australia. (PM Rudd's 200 solutions) Accountability downwards for results rather than process is also central to having citizen centred government.

Within the present system there are ad hoc processes which can bring together service design delivery and policy. For example, where agencies have overlapping responsibilities as in the Katherine West area for health, or at Looma for aged, disability and mental health services, pooling funds to pursue a shared objectives or objectives to enable local management for the desired outcomes can be productive. Forget "coordination", all past experience suggests it is a chimera unless the coordinating agency has control of the money.

In terms of reform there is a need for a change in the attitude within departments to front line staff. Involving them is a serious exercise which requires senior central staff to engage and listen. (In the remote past when I had ministerial responsibility for Social Security every regional office, 150 plus, was visited annually by me or the DG or one of his deputies. I picked up flaws in our legislation in regional offices in Bunbury and Albany. Yet the exceptionally good Development Division of that Department which provided the policy brainpower to the organization required a ministerial instruction to visit the field as they did not think it necessary)

Access for higher needs individuals will always be a problem because all of us tend to do the easy jobs first and many high needs individuals are hard work. The culture of the public service is important in this regard. It needs to be imbued with the idea that every person is to be valued, if only because the people of Australia are their employers. They need to see themselves as public servants. Government should ensure there are funded advocates for the disadvantaged such as ACOSS, ACROD, and ACFA, and that they are heard. I found them harsh but valuable windows into the disadvantaged.

APS culture does matter. I note that in chapter 1 we are told that the three most important job satisfaction attributes for APS employees were good working relationships, flexible working arrangements, and the salary. To the citizen this suggests a culture which is self-interested and self-serving. I mention this because I have on occasions talked with public servants in the field about the horrifying community circumstances I have observed and asked what changes they would suggest. I found it demoralising when the changes they recommend relate to their own conditions of employment rather than the achievement of a better outcome for those they are paid to serve.

Setting targets to be achieved and then insisting that the public service manage to achieve those targets, mandating that results matter more than process, protecting those who report failure and breakdown, more honest auditing, having footloose

agents in the field observing the often obscured reality on the ground, all would help focus on outcomes for citizens. Private sector corporates often have a much better approach, saying what they want to achieve then managing for those outcomes. A recent example was the launch of year 2 of the NAB Reconciliation Action Plan. Year one had 21 targets 17 of which were fully achieved, 3 in process and one revised and replaced. Year 2 built on those achievements. There are numerous similar private sector examples including in other RAPs of major corporations. COAG has made a momentous decision to set targets for closing the gap. They are ambitious, achievable, but without further administrative development will not be achieved. They have however for the first time at the Commonwealth level made the Governments accountable for specific results. Note however Noel Pearson's recent comments about groundhog day and the forgetfulness of governments, routinely setting targets and not meeting them.

High quality, forward looking and creative policy advice

There is much that is positive in chapter 5. However implementation seems to be a bigger problem for the APS than policy development. The gap between good intentions and performance is wide. (Don Watson, "we made the mistake common in political offices, mistaking good intentions for doing something", or words to that effect). In addition it is not helpful to fail to implement a policy and then make up for it by devising a new policy. At a remote FOCUS workshop in the Northern Territory this year there was a plea for no more new policy as endless policy changes imposed from afar simply added to the chaos.

Focussing on the citizen means in remote Australia focussing on the 5% who live there. I note the quoted figures that only 54% of employees viewed their agency as having effective feedback mechanisms, and 2/3rds felt that current financial and accountability arrangements did not facilitate a whole of government approach to their work. It is also noted that many policy officers lack a diverse range of public service employment experiences. I think more serious is that they often lack direct experience of what they are dealing with.

Building workforce capability is important in the policy area but also in delivery. There is no proper training for officials dealing with Indigenous and remote communities in contrast to the past when training at ASOPA was a condition precedent to field engagement, and experience in regional offices was a precondition for advancement to and in central office. Satisfying long term career paths for APS employees in remote Australia are needed.

General

I have spent a lot of time in regional and remote Australia. I have met few if any people there who would agree with the statement in the introduction to the discussion paper that past reforms, especially the Coombs Royal Commission report in 1976, have transformed the APS from a highly centralised, prescriptive and hierarchical entity to an organization that is more devolved and consultative, with more accountability and much stronger focus on performance and delivery of outcomes. That is not the view on location. When in 2007 I led a state-wide consultation on the possibility of a human right law in Western Australia, we found in the Kimberleys,

the Pilbara, the Goldfields and Esperance general disillusionment about the capacity and concerns of all governments and their agencies.

In chapter 2 you list the boundaries government must work across, without mention of the communities whose cooperation and involvement is central to success. In the Indigenous realm I am in total accord with the views of the Productivity Commission when it said:

“Analysis of the ‘things that work’, together with wide consultation with Indigenous people and government, identified the following success factors:

- cooperative approaches between Indigenous people and government – often with the non-profit and private sectors as well
- community involvement in program design and decision-making – a bottom-up rather than top-down approach
- good governance – at organization, community and government levels
- ongoing government support – including human financial and physical resources.

The lack of these factors can often contribute to program failures.”

The challenge is to structure the public service in both the policy and service delivery areas in a way which enables it to apply these success factors across the board rather than as more short term experiments in a few locations. Terry Moran made the point in a lecture in Melbourne earlier this year when he said that without the involvement of the Aboriginal people, policies would fail. That involvement has to be local. It has to be brought about by skilled engagement including in capacity development. It needs local flexibility and a culture of respectful engagement. To achieve this requires substantial challenges to the status quo in the APS.

The remoteFOCUS group has developed a set of overarching principles to guide reform of governance and administration in remote Australia:

- Different approaches are needed for remote Australia compared to more densely populated areas
- Regional and local differences (including Indigenous demography, culture and land tenure) within remote Australia need to be taken into account and significantly affect approaches taken to governance and administration
- Remote Australians are entitled to have a say in the policies that affect them, as any person in a democracy should
- Local decision-making and accountability (including decisions on expenditure) should be maximised while recognising scale and other factors
- Governance and administrative arrangements should emphasise accountability to service users/constituents/outcomes rather than upward accountability
- Local costs of ‘doing business’ should be taken into account (even if seemingly expensive as this is much less costly than failure)
- Remote Australians should have fair and effective access to services and funding from governments.

The following eight proposal headlines are the result of a workshop held in October 2009 to develop a reform package that can provide the foundation for remote

Australia to move from crisis to a major contributor to both the economy and the national interest:

- Focussed and flexible funding for remote Australia
- Ensuring continuity and effectiveness of public servants servicing remote Australia
- Reforming Commonwealth funding to the states/territories to ensure that the allocation of finance to remote Australia is consistent with actual disability factors and real cost differentials
- Engaging local communities in planning, budget development and budget control
- A Commission for Outback Australia
- A social and economic strategy for remote Australia
- Better scrutiny and accountability mechanisms in the Public Service
- Establish and maintain the institutional capacity of Governments and the governance capacity of local communities / regions to meaningfully and productively engage with each other (and wider civil society), whilst achieving the aspirations of each.

Consistent with the objective listed at Proposal 2, 'Ensuring continuity and effective of public servants in Remote Australia' the following specific recommendations aim to institutionalise career paths and enhanced professional development that support more effective government engagement and outcomes in Remote Australia. These include:

- Each of the signatories to the COAG Remote Service Delivery Initiative to review their induction and orientation courses with a view to adopting specific training for public servants operating in or having managerial responsibilities for regional and remote Australia.
- Create attractive and meaningful career paths that formally recognise expertise, experience and skills in regional and remote public service.
- Applicants for promotion are required to demonstrate a track record of concrete achievements in, and depth of knowledge of, the remote and regional issues against reformed selection criteria.
- A professional commitment to serve remote areas well is inscribed within selection criteria, employment contracts and KPIs (performance reviews).
- Facilitate placement of senior staff on locations within remote Australia via relevant project work or through specific tasks with the intent of expanding their knowledge, skills and exposure to remote issues, including via secondment to locally based non-government or private sector organisations.

Short term:

- ANZOG be commissioned to scope out and develop training and mentoring requirements via partnerships with the ANU Public Policy Program, other relevant institutions and remote specialists.
- Consideration be given to the Australian National University and PM&C agreement to enhance the skills of the public sector to meet the demands of the 21st century might be broadened to embrace a focus for senior PS Managers on Remote Australia.

- Have these issues incorporated within the Coordinator General's (on Remote Service Delivery) remit for consideration and advice.

All of the proposal headlines have direct or indirect relevance to the functioning of the APS in remote Australia. Engaging local communities involves skills in short if not negligible supply. Better scrutiny and accountability measures affect performance. The presence or absence of a clear strategy for dealing with the totality of what are the neglected backyards of the States and Territory makes ad hocery inevitable. The failure to provide mechanisms which ensure that money flowing to the States and Territory to enable them to provide services inhibited by remoteness and Aboriginal disadvantage are spent to address that disadvantage affects the environment in which people operate. remoteFOCUS will continue to encourage a national conversation on these issues some of which are beyond the purview of this review of the APS.

We would be happy to engage further with the review if that was thought helpful.