

Review of Australian Government Administration

**Submission by the Australian Agency for
International Development**

Introduction

AusAID welcomes the review of Australian Government administration, and the opportunity to provide this submission.

While recognising the opportunities to improve performance of the APS from a holistic review, AusAID is of the view that the current APS framework has provided a solid basis for AusAID to conduct its business of delivering the Australian Government international aid and development program.

In particular, the framework provides flexible employment arrangements that allow AusAID to engage the necessary talent from within and outside the APS to deliver a high quality international aid and development program. It also allows for participative policy development where this is appropriate, and the ability to adopt a wide range of delivery mechanisms for implementing a complex program in many different international environments.

AusAID's views on some specific issues, including some raised in the advisory group's discussion paper are set out below.

Challenges for the APS over the next ten years

Over the next ten years the APS will be under pressure to change from the following factors:

- Accelerated diminution in the proportion of the APS made up of 'career' public servants. With aging and retirement, the current generation will be replaced by people who do not see the same life-long career path in the APS. This will require:
 - new pathways to promotion, particularly to senior leadership positions, which are currently heavily weighted towards length of proven performance inside the APS
 - improved induction of new staff, at the APS level and the agency level
 - improved knowledge management, including use of IT, to handle staff remaining in jobs for shorter periods
- Speed of communication and access to information means the community will expect more of government, as it does of all service providers.
 - As technology improves and expands into new areas the APS needs to change from primarily 'keeping up with' technological change, to leading the use of new technologies in policy development, service delivery, program implementation and communication within and outside of government.
- The steady erosion of work-life balance is undercutting the attraction and sustainability of a public service career.
 - The demands on public servants beyond the traditional working day have always existed, but are now so common that it requires formal recognition in the changes in the way the APS recruits, remunerates and deploys staff.

- Current arrangements regard and accommodate excessive hours as a short term phenomena. It is time that excessive hours for many roles is accepted as a permanent feature, and managed accordingly.
- Community expectations of integrated government policy and programs, at the national level, and between all levels of government in Australia's federated system.
 - There are also increasing expectations that the federal government be a part of solutions to problems where ever they arise, including in state and local government jurisdictions, and even in other countries in the region.

The APS values and code of conduct

The current values and code of conduct are sufficiently comprehensive and meaningful to be of practical use in agencies. When given sufficient prominence within agencies, they are useful in setting appropriate standards of conduct and performance.

After ten years of the APS Act, they are now well known and accepted broadly in the APS. The next stage might be steps to strengthen a common understanding and application across the APS.

DFAT has developed a code of conduct for official conduct while overseas, based on the APS code of conduct. It is designed to cover special circumstances that arise while representing the Australian Government overseas, such as the conduct of family members accompanying government officials. AusAID voluntarily adopts the DFAT code of conduct for officials while overseas, and commends the wider application of the code of conduct to officials of all Australian Government agencies.

Facilitating talent from outside the APS

To assist with the movement of people in and out of the APS, AusAID recommends that the APSC runs intensive 3 month courses for EL and SES staff recruits to induct them to APS culture and processes. This would fast-track the introduction of talent from outside the APS and avoid the duplication and waste that would result from each agency running their own inductions. Such an induction course could include lectures by Secretaries of key departments in Canberra and officers from the Cabinet Office, the APSC, the Joint House Department, state governments and other key service delivery partners such as NGOs and private sector providers. These inductions should also include informing new staff about the increasing security culture of Government, perhaps with specific security training for staff moving into agencies who deal with information of national security importance.

Encouraging a whole of government focus in APS leadership

Perhaps not enough is made of the SES as a collegiate leadership group across the APS, to serve a broader notion of a whole of government agenda. Current

arrangements, with SES officers recruited permanently to individual agencies, puts the emphasis on the narrower interests of the agency. More frequent movement SES officers would break down notions of permanent placement to individual agencies, and maintain diversity in style, culture and ideas.

While the current employment arrangements do allow for movements, they are largely at the initiative of individual SES officers. There could be gains from more a managed rotation mechanism, facilitated by the APSC under the guidance of a committee of Secretaries whose membership would rotate to ensure portfolios were equally represented over time. SES officers could opt in to a pool of officers to be placed, through expressing interest in new portfolios or agencies to the Public Service Commissioner. This would allow for the more proactive and deliberate placement of SES officers in areas of priority to the Government, and improved SES capability from better structured career and development pathways.

There is also scope for strengthening whole of government integration by creating a system for highly talented Executive Level 1 and 2 officers – perhaps one nominated each year by each agency – to rotate through three or four other participating agencies over a two year period. This would counteract the ‘silo’ effects of the existing employment arrangements that discourage the mobility of talented staff, and position highly talented members of the SES feeder group with a healthy whole of government appreciation before their elevation to the SES.

The need to align accountability frameworks with whole-of-government action

The combination of the *Public Service Act* and the *Financial Management and Accountability Act*, each with their focus on organising human and financial resources exclusively around individual agencies aligns well with the business of government that is also assigned neatly to individual agencies. However, the arrangements don’t fit well with the increasingly used whole-of-government mechanisms of policy development and implementation, where the actions of officers in other portfolios directly impact the resources of another. The legislative framework needs new sections that allow for such mechanisms, to clearly (re)assign accountabilities. Such new frameworks would need to extend to Senate Committee processes, so that those officers that make the decisions and/or provide the advice are available as witnesses to the committees inquiring into the relevant parts of the appropriation bills.

Making the most of senior leaders and managers

There are currently insufficient opportunities for senior managers to develop their skills. There is either a lack of time, or suitable development sources, or both. The creation of a high quality training and development menu for senior executives, that is available via a predictable and equitable selection process.

With the demographic profile of the APS, we know that many current senior leaders and managers will reach retiring age over next ten years. Current superannuation rules work against keeping people on beyond their optimal retiring age. Many return to contribute, but in more costly and less effective contractor roles.

Superannuation arrangements that apply to many APS officers also work against older officers choosing to work part time or at lower classification levels during later years of service (the rules encourage officers to maximise their salary levels over their final years of service). The effect is to create a 'charge to the top' followed by sudden absence of talented leaders and managers. With retirement income arrangements that encourage peaking in the final years of a career, the APS forgoes a workforce that has older talented officers able to drop back in their later years to work alongside the new crop of talent on its way up.

Encouraging and protecting investment in Learning & Development

Continual financial pressure on agency budgets leads, over time, to focusing resources on the immediate and urgent, at the expense of activities to support the performance of agencies over a longer term. Learning and development budgets are very much in this category, and this situation is unlikely to change unless short term incentives to continue to invest in learning and development are introduced.

Options to increase, or at least maintain learning and development budgets include excluding them from the efficiency dividend (or applying a concessional rate) or proving more learning and development centrally (ie 'off budget' from the agency point of view). The latter option supports the ideas of strengthened central learning in partnership with higher education institutions.

The quality of learning and development opportunities is the other key factor in the equation. Managers will be more likely to support the financial cost and opportunity cost of staff being away from core duties if the development activity has real benefits in terms of improving performance. Common courses for the APS with high quality up to date content that is relevant to agency requirements, using effective teaching techniques are essential if the APS is to transform to meet the aspirations of the advisory group through development of its people.