




Australian Government

Reform of
Australian Government Administration
Building the world's best public service

Advisory Group on Reform of Australian Government Administration

October 2009



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Contents

Introduction from the Advisory Group	v
Chapter 1 The Australian Government sector today	1
The role of the Australian Public Service	1
Statistical snapshot of the APS	1
Views and attitudes of APS employees	4
Questions for discussion	5
Chapter 2 Challenges in the strategic environment	6
Increasing complexity of policy challenges	6
Increasing public expectations	6
Demographic change	7
Technological change	8
Globalisation	8
Financial pressures	9
The need for systemic reform	9
Questions for discussion	9
Chapter 3 An aspiration for Australia's public service	10
What are the characteristics of a highly performing public service?	10
Questions for discussion	12
Chapter 4 A values driven culture that retains public trust	13
What is required for high performance?	13
Discussion of current performance	14
Barriers to promoting a values driven culture	16
Possible reform directions	19
Questions for discussion	19
Chapter 5 High quality, forward looking and creative policy advice	20
What is required for high performance?	20
Discussion of current performance	21
Barriers to the provision of high quality policy advice	23
Possible reform directions	25
Questions for discussion	27
Chapter 6 High quality, effective programs and services focused on the needs of citizens	28
What is required for high performance?	28
Discussion of current performance	29
Current barriers to high quality programs and services	30
Possible reform directions	32
Questions for discussion	35

Chapter 7	Flexibility and agility	36
	What is required for high performance?	36
	Discussion of current performance	36
	Barriers to flexibility and agility	38
	Possible reform directions	41
	Questions for discussion	41
Chapter 8	Efficiency in all aspects of government operations	42
	What is required for high performance?	42
	Discussion of current performance	42
	Barriers to efficiency	44
	Possible reform directions	44
	Questions for discussion	45
Chapter 9	Next steps	46
	Consolidated set of questions for discussion	46
	How to make a submission	48

Introduction from the Advisory Group

In 2008, the Economy and Governance streams at the 2020 Summit discussed at some length the importance of a strong and professional public service for Australia's economic, social and democratic wellbeing. Innovative and open policy, quality services, and a skilled workforce all received particular emphasis. We agree. Having a vigorous and vibrant public service will be essential for Australia to build a strong, fair and prosperous nation into the 21st century. We are therefore both honoured and excited to serve on an Advisory Group on Reform of Australian Government Administration.

Our members are:

- Mr Terry Moran AO, Secretary of the Department of the Prime Minister and Cabinet (Chair)
- Mr Chris Blake, EGM Business Strategy and People, National Australia Bank
- Professor Glyn Davis AC, Vice Chancellor and President of the University of Melbourne
- Ms Jo Evans, Assistant Secretary, Department of Climate Change
- Dr Ken Henry AC, Secretary to the Treasury
- Ms Robyn Kruk AM, Secretary of the Department of the Environment, Water, Heritage and the Arts
- Ms Carmel McGregor, Acting Australian Public Service Commissioner
- Ms Ann Sherry AO, Chief Executive, Carnival Australia
- Mr Nick Warner PSM, Director-General, Australian Secret Intelligence Service
- Professor Patrick Weller AO, Professor of Politics and Public Policy, Griffith University.

Our main purpose is to devise a blueprint for reform of Australian Government administration. Our driving motivation is our firm conviction that Australia can have the world's best public administration. Our concern is that the remainder of the 21st century will present the government of the day with significant policy and practical challenges. Our task is to ensure our public administration is up to the task of supporting the government in confronting these challenges.

As an Advisory Group, we will focus on the Australian Public Service (APS), but we will also examine Australian Government administration more broadly. In so doing, we will canvas a wide range of questions regarding the effectiveness of the APS and government administration. Many of the challenges and opportunities raised are shared by other governments and other organisations involved in service delivery. Our hope is that by strengthening Australian Government administration, the broader endeavour of public service in Australia will be enhanced.

Fortunately, any reforms we suggest will be building on firm foundations. Past reforms, especially the Coombs Royal Commission Report in 1976, have transformed the APS from a highly centralised, prescriptive and hierarchical entity to an organisation that is

more devolved and consultative, with more accountability and a much stronger focus on performance and delivery of outcomes.

In most international comparisons, our public service fares very well. However, there is room for improvement. For example, there are concerns about the ability of the APS to provide innovative and creative policy advice to government. In terms of service delivery, there needs to be a much stronger citizen centred focus. Links with the outside world, including with universities, state and territory governments and other sectors, should also be improved. Trends in the strategic environment add further imperative to the need for change. Such trends include the increasing complexity of public policy issues, demographic pressures, globalisation and the ever increasing expectations of the public, and of business.

We recognise that a range of other initiatives are already underway—such as the Management Advisory Committee project on public sector innovation, service delivery reforms, Operation Sunlight on enhancing budget transparency, as well as implementing the recommendations of the Gershon report on government use of information technology. These reforms and others may not be acknowledged specifically in this discussion paper, but we will be mindful of each of them in our development of the final reform blueprint.

Essentially, the purpose of this paper is to provoke discussion about public sector reform. It will provide a platform for engagement with relevant stakeholders, including Australian Government employees, to get their views on the current performance of the APS, barriers to higher performance and possible reform directions. These views will have a strong influence on the development of the reform blueprint.

It should also be acknowledged that a reform agenda of this scale is likely to take some time to implement. Whilst any rearticulation of values and beliefs, and even changes to structures and legislation, can occur quickly, more fundamental changes to capability, culture and entrenched processes are likely to require significant time and effort to fully implement. Our challenge is to devise a plan that is forward looking and long term in scope. In this context, we can afford to be ambitious.

The Advisory Group welcomes your views, either as a submission in response to this discussion paper or by engaging with the online discussion forums that can be found at www.pmc.gov.au/ReformGovernment.



Terry Moran, AO

Chair, Advisory Group on Reform of Australian Government Administration

The Australian Government sector today

About 237,000 Australians work in the public sector at a federal level, excluding personnel in the defence forces. Roughly two-thirds are employed in the Australian Public Service (APS) while the remainder work in a wide range of organisations that have either a commercial focus, require a governing board or have specific or special functions. APS employees are engaged under the *Public Service Act 1999*, while other organisations either engage staff under their own enabling legislation or rely solely on the *Fair Work Act 2009*.

The role of the Australian Public Service

The APS's role has evolved significantly over time, largely to keep pace with the expanded role of the Commonwealth Government—including greater responsibility for achieving social and economic development goals. The debate about the proper division of powers and responsibilities between the Commonwealth and the states and territories is as old as federation. However, the fundamental purpose of the APS has remained constant. With strong roots in the Westminster system, the APS:

- serves the government of the day, including by striving to be a professional and rational advocate of ideas that are in the best long-term interests of Australia
'Governments fulfil their election promises and policies through the programs and services the Public Services delivers...the APS was created to help the Government of the Commonwealth of Australia fulfil its commitments to the Australian people. We depend on the Public Service to do that'.¹
- fulfils important accountability responsibilities, through Ministers, to the Parliament
'Public servants are accountable to Ministers for the exercise of delegated authority and through them to the Parliament'.²
- serves the public, within the policy and program framework determined by the government
'The APS delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public'.³

Statistical snapshot of the APS

The APS is the largest component of the Australian Government workforce. With a workforce of 160,011 people divided among 97 agencies, it is an extremely diverse entity (see Figure 1.1). From a low point in 2000, the number of APS employees has been growing steadily (see Figure 1.2).

1 Former Special Minister of State, Senator John Faulkner, *Speech to CPSU*, March 2008

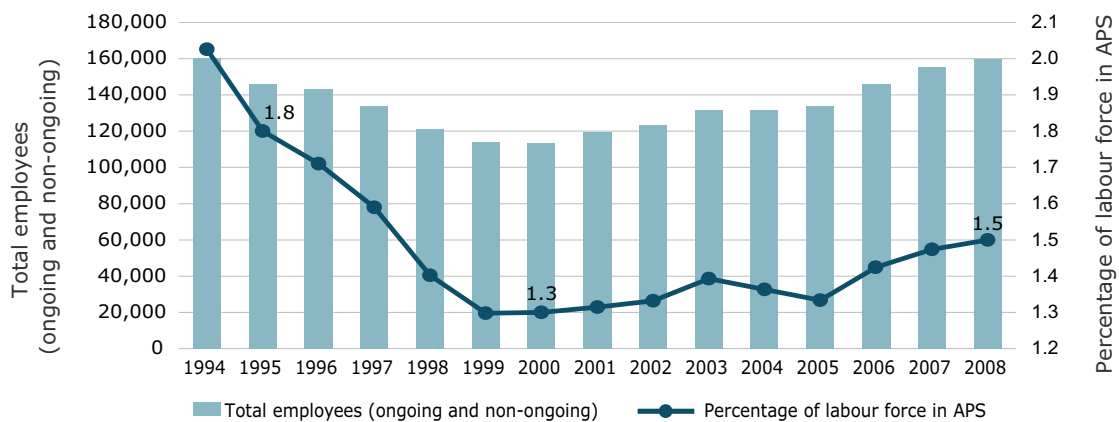
2 Australian Public Service Commission, *APS Values and Code of Conduct in practice*, 2009

3 *Public Service Act 1999*, s.10(1)(g)

Figure 1.1 | Largest and smallest Australian Government agencies⁴

Largest	Employees	Smallest	Employees
Centrelink	26,157	Inspector-General of Intelligence and Security	9
Australian Taxation Office	24,423	National Competition Council	10
Defence	21,629	Private Health Insurance Ombudsman	11
Immigration	7,123	Office of the Renewable Energy Regulator	13
Human Services	6,363		

Figure 1.2 | APS Employment 1994–2008⁵



While around two thirds of employees are located outside the Australian Capital Territory, three quarters of the Senior Executive Service (SES) employees are based in Canberra (see Figures 1.3 and 1.4).

Figure 1.3 | ACT based APS employees, 2008⁶

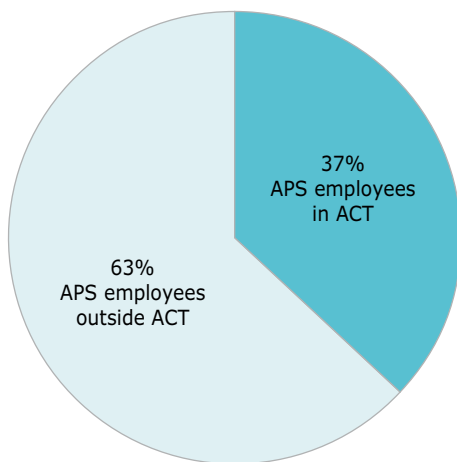
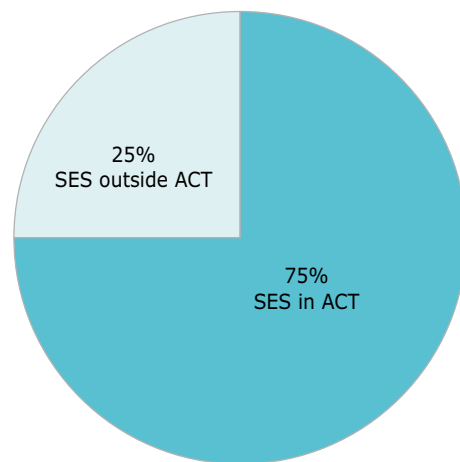


Figure 1.4 | ACT based SES employees, 2008⁷



4 Australian Public Service Commission, APS Employment Database

5 Australian Public Service Commission, *APS Statistical Bulletin 2007-08*

6 Australian Public Service Commission, APS Employment Database

7 Australian Public Service Commission, APS Employment Database

The APS workforce is becoming relatively older and more highly educated. Employment has also shifted upwards over time into higher level classifications (see Figures 1.5, 1.6 and 1.7).

Figure 1.5 | Proportion of APS employees aged under and over 45 years, 1996 and 2008⁸

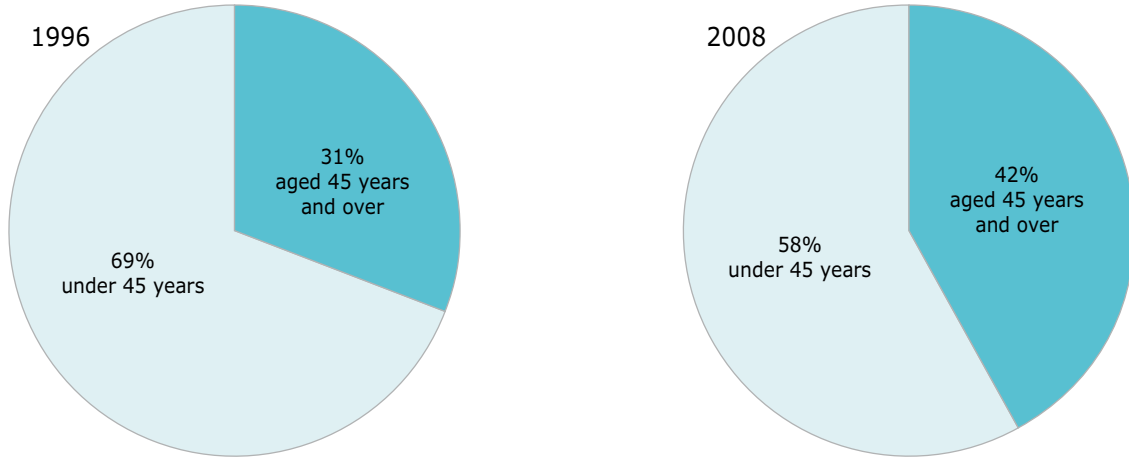


Figure 1.6 | Growth in APS employment classifications 1994 to 2008⁹

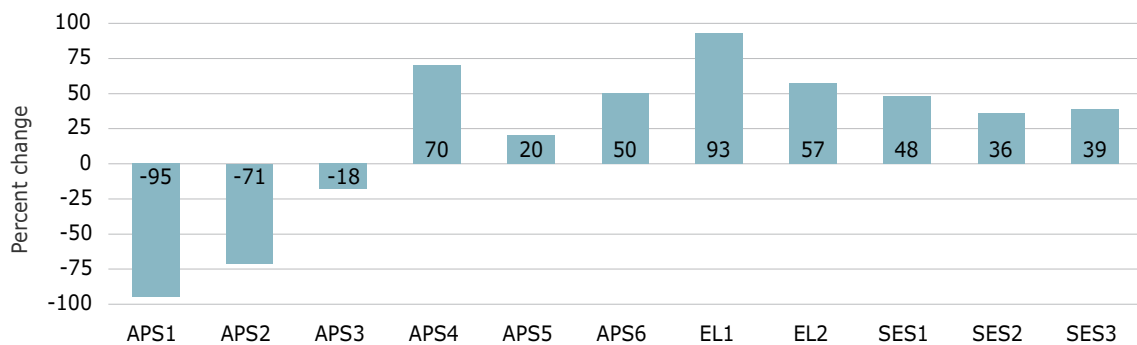
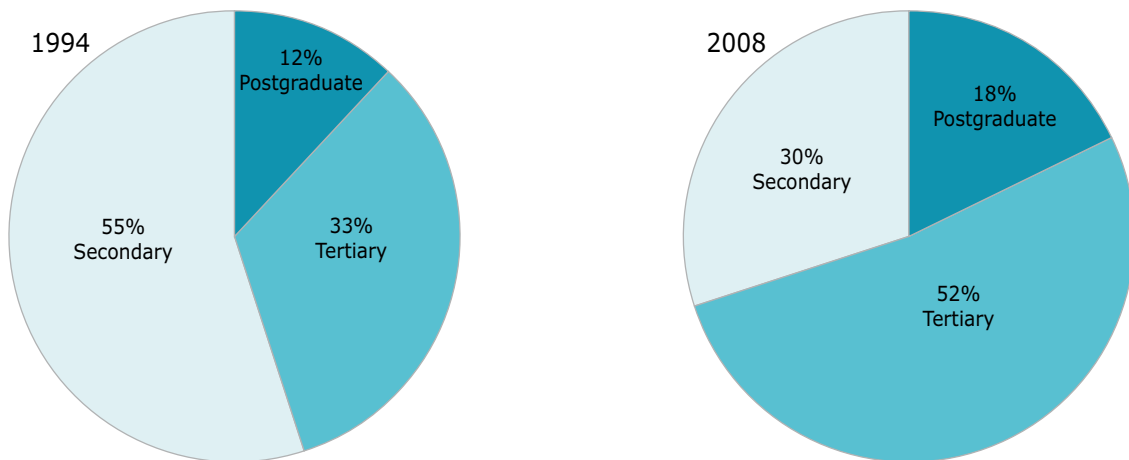


Figure 1.7 | Highest level of education of new APS employees, 1994 and 2008¹⁰



8 Australian Public Service Commission, *APS Statistical Bulletin 2007-08*

9 Australian Public Service Commission, *State of the Service Report 2007-08*

10 Australian Public Service Commission, APS Employment Database

Representation of women in the APS is seeing strong upward growth, reaching 58% of the workforce in 2008. However, the proportion of employees with a disability has been steadily falling, reaching a low of 3.1% in 2008. Indigenous employment has also been falling, though at a slower rate—from 2.7% in 1999 to 2.1% in 2008. The proportion of employees from a non-English speaking background has been roughly steady at around 6% over the past decade (see Figure 1.8).

Figure 1.8 | Representation of diversity groups among ongoing APS employees (%)¹¹

Diversity Group	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Indigenous Australians	2.7	2.5	2.6	2.6	2.5	2.5	2.3	2.2	2.2	2.1
People with disability	4.9	4.6	4.3	4.1	4.2	4.1	4.0	3.6	3.4	3.1
People from non-English speaking background	5.6	5.6	5.6	5.6	5.5	5.5	5.7	5.9	6.0	6.0

Views and attitudes of APS employees

In such a large organisation, it is difficult to make overarching judgements about views and attitudes. However, the most recent employee survey (2008) for the Australian Public Service Commissioner’s *State of the Service Report*, gives us an insight into some of the prevailing sentiments that exist amongst many public servants:

- the great majority of employees (82%) report they are motivated to do their best possible work
- almost all employees (96%) indicate they are willing to put in extra effort to get the job done
- less than half of employees (45%) agreed their agency was well-managed
- the proportion of employees who agreed they were proud to work in the APS and their agency was 79% and 71% respectively
- the primary identification of 60% of APS employees is with their agency specifically, rather than to the APS more broadly
- the three most important job satisfaction attributes for APS employees were:
 - good working relationships (86% of relevant employees satisfied)
 - flexible working arrangements (86% of relevant employees satisfied)
 - salary (60% of relevant employees satisfied).

This supports the view that the APS today is an organisation made up of motivated people committed to the attainment of outcomes for the Australian people.

However, it also reveals that general perceptions regarding agency management and the delivery of a unified one-APS culture are less positive.

¹¹ Australian Public Service Commission, APS Employment Database



Questions for discussion

- Do you think this chapter accurately captures the role of the Australian Public Service?
- What are the implications of the statistical snapshot, and of employee views and attitudes for the future of the APS?

Challenges in the strategic environment

A number of challenges are driving the need for public sector reform. Six of the most significant challenges are an increasing complexity in the nature of many policy problems, increasing expectations of the public and of business, demographic change (especially the ageing population), technological change, globalisation and increasing fiscal pressures.

Increasing complexity of policy challenges

Many high priority public policy challenges do not fit neatly within one ministerial portfolio or a single agency's set of responsibilities. Tackling the overall problem posed by illicit drugs, for example, requires effective cooperation between a variety of health, law enforcement and social policy agencies across Commonwealth, state and territory jurisdictions. Other difficult and complex policy challenges needing cross-agency and cross-jurisdictional cooperation include climate change, water reform, closing the gap on Indigenous disadvantage and mental health.

Successfully tackling these complex policy issues requires the APS to be more agile, adaptable, innovative, open and outward looking. Because individual APS agencies cannot implement the Government's policy agenda on their own, they need to excel at working across boundaries:

- within individual agencies
- between different APS agencies
- between APS and state and territory agencies
- with non-government sectors
- with other nations.

Increasing public expectations

Expectations of government are increasing, particularly as people are becoming better educated and more informed about government. As former Public Service Commissioner Lynelle Briggs stated in 2005:

'The public are educated about their rights as consumers of government services, and have great expectations of what and how services will be delivered'.¹

There is also a growing expectation of individuals and communities that they will receive services that are responsive to their particular needs and circumstances. Place-based delivery of services and programs is becoming increasingly important—whether this is achieved through one-stop shops delivering a range of government services in one customer-friendly location, or through other innovative initiatives.

¹ Ms Lynelle Briggs, 'Great Expectations: The Public Service of the future', Speech to NSW Forum of Commonwealth Agencies, 2005, <http://www.apsc.gov.au/media/briggs170305.htm>

Australian businesses are expecting their government to be more efficient and effective, as they face greater exposure to international competition and to survive adverse global developments such as the recent financial crisis.

The modern media cycle and the intensity of media coverage of many issues often create significant pressure for urgent action by government. Without a public service that can effectively support the government’s response to both short and long term challenges, governments may become too ‘reactive to the intense pressure of the 24-hour news cycle’ and day-to-day work pressures.²

There is also a growing expectation that government and the public sector should improve transparency, accountability and consultation processes.

Demographic change

The 2007 *Intergenerational Report* projected that by 2047 the working age population as a proportion of the total Australian population will fall by around 8% (from 67.5% in 2007). The increasing proportion of people reaching retirement age, combined with the reduced proportion of new labour force entrants, will present a major challenge for the Australian economy and the APS (see Figures 2.1 and 2.2).

Figure 2.1 | Ongoing APS employees, proportion by age 1996-2008³

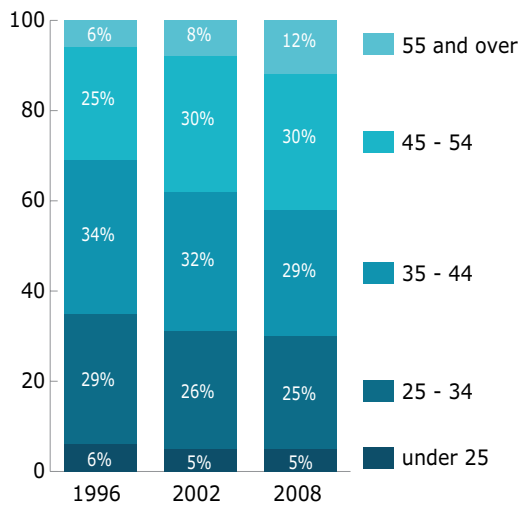
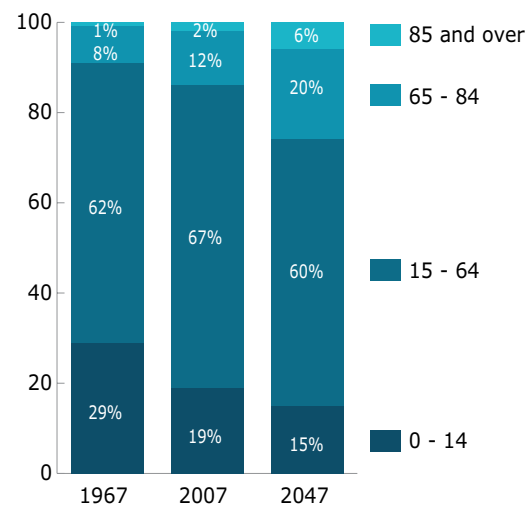


Figure 2.2 | Australian population history and projections⁴



2 Mr David Borthwick, *Valedictory Lecture: 'As if for a thousand years...'*, 2009 <http://www.apsc.gov.au/media/borthwick100309.htm>

3 Australian Public Service Commission, APS Employment Database

4 Australian Bureau of Statistics, *Australian Historical Population Statistics Cat. No. 3105.0.65.001*; and The Treasury, *Intergenerational Report 2007*

The APS is already facing significant challenges in recruitment. A large proportion of the APS workforce will reach retirement age over the next decade. Recruitment demands will therefore intensify at a time when the APS is facing increased competition for a relatively smaller pool of new labour market entrants. Measures to improve recruitment, as well as retention rates amongst older workers, are likely to be needed.

Demographic trends will also require the public sector to respond to an increased demand for health and aged care services and support payments to meet the needs of the ageing of the broader population.

Technological change

Technological change provides significant challenges for the public sector, but also opportunities. Information and communication technologies (ICT) can enable improved service delivery by increasing efficiency, making services more accessible and citizen centred, and supporting better sharing of information and knowledge.

The challenges agencies face in delivering improved ICT services include:

- building a culture within the APS that embraces new ways of working⁵
- reforming policies and procedures to allow better exploitation of technology
- managing the increased volume of information flows and pace of decision making made possible by new technologies
- overcoming integration challenges that hinder whole-of-government information sharing and exploitation
- managing IT systems over their lifecycle
- addressing information security and privacy concerns.

Globalisation

In today's globalised world, financial and economic developments, ideas and a range of threats are transmitted around the globe in an immediate and increasingly interconnected way. The global financial crisis or the swine flu epidemic are just two recent examples of this new reality. As the former Secretary of the Department of Foreign Affairs and Trade, Michael L'Estrange, stated in 2006:

*'the interaction between domestic and international considerations is more active and porous than ever before.'*⁶

More than ever before, Australia needs a public service that is able to help the nation adapt to external shocks, proactively advance the national interest on the world stage and take advantage of the opportunities that the ready access to international information and knowledge presents.

⁵ See also Australian Public Service Commission, *State of the Service Report 2006-2007, Commissioner's Overview: challenges facing the APS*

⁶ Mr Michael L'Estrange, *Address to the National Press Club*, Canberra, 27 September 2006

Financial pressures

Increasing financial pressures faced by government are impacting on resourcing levels and driving the need for greater efficiency in all government operations. Pressures over the short, medium and long term include:

- The global financial crisis has reduced government revenues and put the budget into deficit in the short term. Public sector agencies will be required to do more with less in this financial environment. However, the public sector will also need to become more effective at the savings challenge itself. Over the 15 months to June 2009, many agencies—particularly smaller agencies—have expressed difficulty in finding the cost savings needed to meet the additional 2% efficiency dividend set for them by government.
- The Government has committed to bringing the budget back into surplus over the medium term. To assist the Government in achieving this goal, the APS will need to strengthen its ability to evaluate the effectiveness of government spending. The public service must also be more adaptable in realigning spending with emerging government priorities.
- In the long term, the Government will need to manage the fiscal implications of the ageing population and lower rate of growth of labour force entrants. The *Intergenerational Report 2007* projects that by 2046-47 government spending will exceed revenue by around 3.5% of gross domestic product.

The need for systemic reform

The challenges set out in this chapter will affect all public service agencies in different ways and to varying degrees. However, it will be inefficient—and less effective—if each organisation is left to invest its own resources, often in isolation, in an attempt to tackle common reform themes. A whole-of-government and across-APS strategic approach is needed.

Some of the barriers to reform are embedded in the prevailing public service architecture—the financial, accountability, performance and employment frameworks across the APS. It will therefore be necessary to re-examine that architecture to ensure it supports, rather than hinders, the ability of the APS to overcome future challenges.

Questions for discussion

- What are the most important challenges facing the public sector over the next ten years?
- What are the key implications for how the public sector will need to operate?

An aspiration for Australia's public service

A defining characteristic of high-performing organisations is a clear vision for the future and a strategy for how they will achieve that vision.

Australia's public service can legitimately aspire to be no less than the best public service in the world. It could embed concepts of unity, excellence, and a citizen centred approach. At this point in our history we should ask ourselves whether these are the right concepts to embed in a fresh aspiration for the APS.

Figure 3.1 | Possible aspiration for the APS

The best public service in the world, unified in pursuing excellence and putting Australia and Australians at the centre of everything we do

While setting an aspiration is important—regardless of how we articulate that aspiration—we will need to take real action and affect change in order to position the APS to meet the public policy challenges of the 21st century. Understanding the characteristics of high performance in the public service context will be crucial if we are to set out a clear and consistent reform strategy.

What are the characteristics of a highly performing public service?

The Prime Minister has stated that he expects the public service to be characterised by excellence in policy innovation, policy creativity, policy contestability and long-term policy planning, as well as a commitment to innovation and creativity in how it delivers services to the Australian community. The Prime Minister has also spoken of the Government's vision for the APS as having the following seven elements:

1. reinvigoration of the Westminster tradition of an independent public service with merit-based selection and continuity of employment between governments
2. a professionalised public service committed to excellence
3. evidence-based policy making processes as part of a robust culture of policy contestability
4. enhanced strategic policy capability
5. strengthened integrity and accountability
6. broadened participation in government through inclusive policy processes
7. a contemporary view of service delivery emphasising both effectiveness and efficiency.¹

¹ Prime Minister, the Hon Kevin Rudd PM; *Address to the Heads of Agencies and Members of the Senior Executive Service*, 30 April 2008

Internationally, while terminology may differ, attempts to define the characteristics of a high-performing public service regularly highlight common themes. There is widespread recognition that public services of all shapes and sizes are operating in more challenging strategic environments in which policy challenges require more flexible, innovative, integrated and networked approaches. Commonly expressed characteristics of high performance that emerge include:

- innovation—particularly the need for innovative policy solutions to address complex policy challenges
- citizen centric philosophy—enabling citizens access to government, improving consultation and providing a citizen centred approach to service delivery
- whole-of-government and whole-of-public-service ethos—recognising the increasing need to work across traditional boundaries to deliver results and the importance of embedding a unified ethos across the public service
- transparency and accountability—including making more government data and information available to the public and a commitment to greater openness
- fiscal responsibility—acknowledging that in tight fiscal environments governments must ensure they achieve value for money as well as results.

Frameworks for good public administration have also been developed by a number of governments. For example, an Accenture study commissioned by the United Kingdom’s National Audit Office identified five characteristics of good public administration²:

- responsiveness
- transparency
- accountability
- equity
- public service ethos.

For the purposes of this discussion paper—and informed by international research and the Government’s stated expectations of the public service—five characteristics of high performance have been identified to frame the discussion:

1. having a values-driven culture that retains public trust
2. providing high-quality, forward-looking and creative policy advice
3. delivering high-quality programs and services that put the citizen first
4. providing flexible and agile responses to changing realities and government priorities
5. being effective and efficient in all operations.

We consider the APS will need to excel in each of the above areas if it is going to achieve any reasonable aspiration that is set.

² Accenture; *An International Comparison of the United Kingdom’s Public Administration*, October 2008



Questions for discussion

- What do you think is an appropriate aspiration for the Australian Public Service?
- Do these five key characteristics adequately encapsulate what you would expect from a high performing public service?

A values driven culture that retains public trust

The Westminster system of democratic parliamentary governance and its many conventions and traditions form the foundation upon which our public service has been built. To underpin the principles and behaviours needed to support and continue Westminster traditions in an Australian context, the Australian Government has created a unique set of values which define and guide the work of the APS and its employees. These values are defined and enshrined in legislation: the *Public Service Act 1999* (the Act). Essentially, they call for the APS and public servants to be professional, ethical, apolitical and to engage actively with the government of the day—characteristics that have been widely recognised as the hallmarks of good public service since the 19th century.

Another key characteristic not explicitly captured by the Act—but one that is arguably essential for any good public service—is the retention of public trust and confidence in the system of government and its institutions. To ensure we have in place the right culture for the APS to achieve high performance and retain public trust, it may be timely to reaffirm our commitment to the fundamental values underpinning our system, and reconsider whether we might be able to better articulate and communicate them.

What is required for high performance?

Most organisations, regardless of whether public or private, operate most effectively with clearly articulated values. Values define and drive an organisation's culture and help ensure that all within the organisation know and understand what is expected of them in terms of their actions and their behaviours—how they undertake their duties, discharge their responsibilities, make decisions and conduct themselves individually. A values driven culture can also help instil a sense of unity and sustain an organisation through times of turbulence, challenge and change. Values and a strong culture are also important in sustaining individual behaviour—arguably more important than prescriptive rules.

If the APS is to be the best public service in the world, it needs to have a values driven culture that encourages excellence. If the APS is to retain public trust and confidence, it needs to have a values driven culture that demands fairness and integrity. If the APS is to remain a guardian of good governance, it needs to have a values driven culture that promotes transparency and accountability. Regardless of their purpose, however, for APS values to be meaningful they must be universally accepted and embraced by those employed within the public service, and they need to be upheld and promoted by a unified leadership group.

Discussion of current performance

Currently, there are fifteen APS values expressed in the Act. They are fairly extensive and broad ranging, many with a long history supported by strong traditions. Notions of political neutrality or recruitment of public servants based on merit, for example, stem directly from the 1854 Northcote-Trevelyan Report on the British civil service, the recommendations of which still resonate today. These values have been a source of considerable and ongoing strength for the APS. As the Prime Minister stated recently:

'...any fair-minded person would agree that Australia has been remarkably well served by the APS, and it has been remarkably stable, impartial and free from corruption'.¹

Figure 4.1 | Current APS Values, Section 10 of the *Public Service Act 1999*

The Australian Public Service:

- a. is apolitical, performing its functions in an impartial and professional manner
- b. is a public service in which employment decisions are based on merit
- c. provides a workplace that is free from discrimination and recognises and utilises the diversity of the Australian community it serves
- d. has the highest ethical standards
- e. is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public
- f. is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs
- g. delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public
- h. has leadership of the highest quality
- i. establishes workplace relations that value communication, consultation, co-operation and input from employees on matters that affect their workplace
- j. provides a fair, flexible, safe and rewarding workplace
- k. focuses on achieving results and managing performance
- l. promotes equity in employment
- m. provides a reasonable opportunity to all eligible members of the community to apply for APS employment
- n. is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government
- o. provides a fair system of review of decisions taken in respect of employees.

Despite the existence of a firm sense of tradition in the public service, however, there has been debate in recent years regarding whether the APS has remained sufficiently true to its Westminster heritage. This is particularly the case in relation to actively engaging with government in an apolitical way. With such concerns in mind, recent reforms have been undertaken with a goal of strengthening fundamental Westminster traditions. Relevant reforms have included the introduction of:

¹ Prime Minister, the Hon Kevin Rudd PM, John Paterson Oration, ANZSOG Annual Conference, 3 September 2009

- a code of conduct for ministerial staff
- a register and code of conduct for lobbyists
- guidelines for government campaign advertising
- merit based selection processes for most agency heads and statutory office holders.

The role of senior leaders

Under the Act, agency heads and SES employees have a particular obligation to uphold and promote the APS values.

Of concern is the difficulty in managing the need to be at once apolitical, impartial, professional, accountable, and engaged actively with government. During 2007-08, 20% of APS employees in contact with Ministers or their offices reported finding this balance difficult. This is less than the third of all APS employees reporting difficulty in 2004-05. That said, there is a dearth of formal advice on how to handle potential conflicts, with only 22% of agencies indicating they have written procedures in place.²

Finding the right balance requires having an understanding of the government's agenda, being proactive in terms of providing needed advice and progressing outcomes, having a clear understanding of the delineation of roles and responsibilities between the APS and the minister's office, and having in place appropriate mechanisms to address any conflicts that may arise. APS leaders have primary responsibility for navigating this sometimes delicate path, as it is they who engage with Ministers most frequently and possess a level of authority within the APS to which more junior officers are inclined to defer.³

Accountability and Trust

Trust in government by citizens is a necessary element of democracy and is the source of a government's legitimacy in making decisions on behalf of their citizens. The challenge for the public service is that there is often a blurring by citizens of the distinction between public servants and the government—to many citizens, public servants are the government.

As a result, politicians and public officials alike need to act to maintain trust in both government and the public service. The government and the APS need to encourage ethical and honest behaviours by promoting an ethical culture, as well as establishing mechanisms for holding government and public administrators accountable.⁴

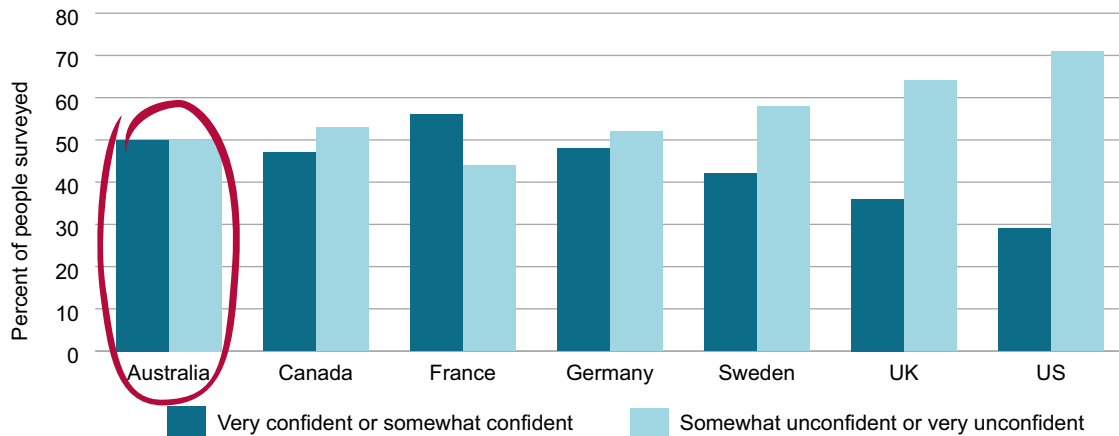
Trust in government and the public service is also derived from citizens having confidence in how the government tackles the main problems facing the country. In this regard, Australians have more trust in their government than citizens in most other comparable jurisdictions, including the United Kingdom, Sweden and the United States (see Figure 4.2).

² Australian Public Service Commission, *State of the Service Report 2007-08*, p. 191

³ Eighty-two per cent of Senior Executive Service employees reported contact with ministers and ministerial advisers in 2007-08: Australian Public Service Commission, *State of the Service Report 2007-08*, p.173

⁴ Government of Victoria, State Service Authority, *A Matter of Trust: Trust in Government, Working Paper No.2, 2007*

Figure 4.2 | Citizens levels of confidence in the way that government tackles the main problems facing the country⁵



Maintaining trust and confidence arguably depends on a robust approach to transparency and openness. Transparency ensures that the public is well informed, that taxpayers can determine whether their tax dollars are being spent effectively and efficiently, and that as many decisions as possible impacting on the public and the public interest are subject to appropriate scrutiny. An open approach requires a culture of disclosure and cooperation which facilitates the transmission of ideas and allows critical review of performance and actions. To this end we note the contributions of reforms currently at various stages of development and implementation including:

- freedom of information reforms to promote a pro-disclosure culture across government
- the provision of greater protection for public service whistleblowers
- reviewing the privacy framework to ensure effective protections are in place for personal information.

Barriers to promoting a values driven culture

Articulation of APS Values

The current 15 APS values as set out in the legislation have not been updated since 1999. It may be that their relatively large number, combined with the way they are expressed, results in a set of values that is difficult to remember and apply on a day-to-day basis. Instead, the existence of agency-specific values in some places indicates that local rather than core APS values are becoming the guiding philosophy within each individual organisation. Furthermore, the APS values themselves do not highlight some of the principles and ideals employees in a modern public service should be working toward—the need to work collaboratively to achieve cross-portfolio outcomes, is one example.

⁵ Ipsos MORI survey reported in Accenture, *An International Comparison of the United Kingdom's Public Administration 2008*, United Kingdom, p.36

Size and unity of APS senior leadership group

The current public service leadership group—the SES—numbers over 2,700, representing around 1.8% of the APS in 2008 (having grown about 41% since 1994).⁶ This may make it difficult for the senior leaders of the public service to maintain a common and unified understanding of the government’s agenda, and to work together in engaging with the government to progress that agenda.

The scale of potential disunity is clear when looking at responses in the latest *State of the Service Report*: only 40% of SES Band 1 officers indicated they considered themselves to be part of a broader leadership group, and the figure was only slightly higher for SES Band 2 and 3 officers at 55%.⁷ Given most major contemporary policy challenges span multiple agencies—climate change or Indigenous disadvantage, for example—this lack of unity may impair the ability of the APS to effectively support the government in tackling such challenges.

Outward focus

The Prime Minister has emphasised the importance of more inclusive policy processes within the APS, as well as an overall expectation that the Commonwealth public service will work more constructively with its state and territory counterparts.⁸ Unfortunately, there is a common view that many parts of the APS do not have a sufficiently strong culture of external engagement, both across and beyond the APS.

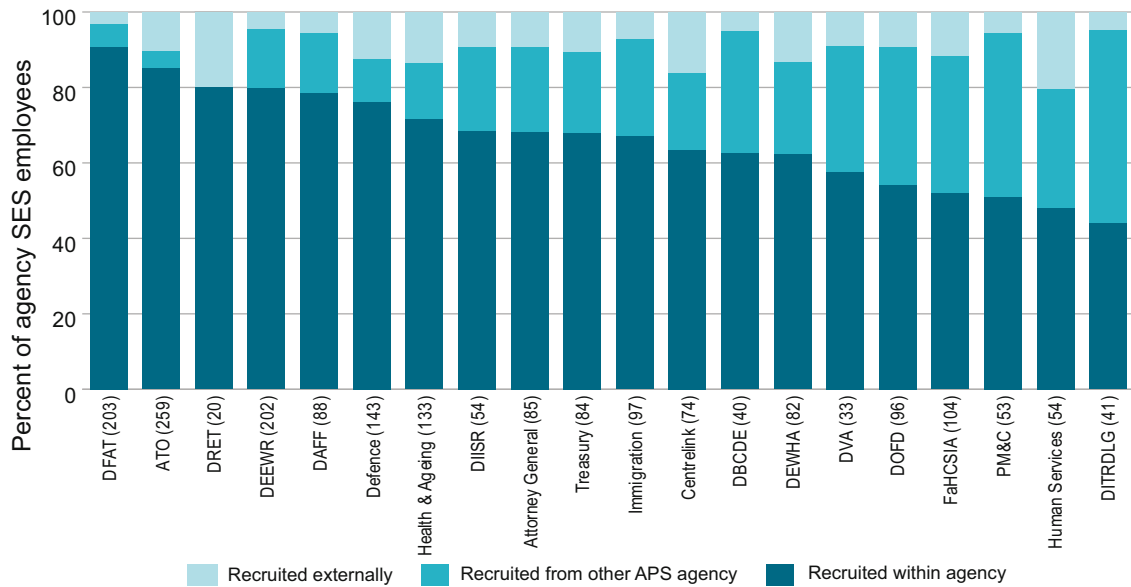
A likely contributing factor to this lack of outward focus may be the fact that a high proportion of senior agency executives are recruited internally, either from within the agency or from another APS agency (see Figure 4.3). While internal recruitment to leadership roles is an effective way of utilising and rewarding corporate knowledge and experience, and may reflect effective succession planning, insufficient external recruitment risks creating closed and insular organisational cultures.

⁶ Australian Public Service Commission, *State of the Service Report 2007-08*, p.37; Australian Public Service Commission, *Australian Public Service Statistical Bulletin 2007-08*, p.33

⁷ Australian Public Service Commission, *State of the Service Report 2007-08*, p.111

⁸ Prime Minister, the Hon Kevin Rudd PM, *Address to Heads of Agencies and members of Senior Executive Service*, Parliament House, Canberra, 30 April 2008

Figure 4.3 | Source of recruits to SES, selected APS agencies, June 2008⁹



Succession planning and talent management

Succession planning and talent management are also very important features of a professional, values-driven public service that is capable of sustaining a culture over time. It may therefore be a concern that only a quarter of all APS agencies have succession management strategies in place, and only 6% have a talent management strategy.¹⁰ Given that more than 70% of SES employees will be eligible for retirement in the next 10 years and that the talent pool for future leaders is likely to shrink over the coming decades due to an ageing population, this is an alarming shortcoming.¹¹ Some agencies are responding to these challenges—the Australian Taxation Office, for example, is currently refining its talent management strategy and Centrelink has a succession management strategy for high-performing employees. However, many agencies do not appear to be doing enough to address these challenges.

Skills

Public service leaders need a broad and balanced range of skills to be able to effectively manage and direct the work of the APS, contribute to a values driven culture and actively engage with government. Around a third of APS agencies reported at least one skills gap for their SES employees and around two-thirds of agencies reported skill gaps among employees in their leadership feeder pool.¹² As discussed in Chapters 5 and 6 in relation to the provision of policy advice and the delivery of programs and services, the most commonly reported skills gaps are strategic thinking and strategic policy capability, people management and the capacity to steer and implement change. Identifying strategies to address these gaps and ensure the next generation of public service leaders are properly

⁹ Australian Public Service Commission, APS Employment Database

¹⁰ Australian Public Service Commission, *State of the Service Report 2007-08*, p.117

¹¹ Australian Public Service Commission, *State of the Service Report 2007-08*, p.37

¹² Australian Public Service Commission, *State of the Service Report 2007-08*, p.108

and adequately equipped to take the reins of the APS and effectively engage with the government should be a high priority for any reform agenda.

Possible reform directions

The APS values could be simplified and rearticulated so they are clearer, sharper and more memorable. Emphasis might need to be given to the importance of APS culture becoming more unified, innovative, outward-looking and proactive, while reinforcing the core Westminster principles of professionalism, ethical behaviour, merit-based employment and engaged appropriately and actively with government on an apolitical basis.

While there have been a number of recent reforms undertaken to strengthen accountability and trust, there may be room for further work—particularly in relation to performance and reporting on the achievement of outcomes. Increasing the public availability of government data and performance related information could enable citizens to better understand what the government does and how it affects them, as well as how the public service is performing.

A range of other potential reforms to improve the quality of the future leadership group of the public service—particularly their ability to promote and uphold APS values, actively engage with government and maintain public trust and confidence—might include:

- creating a streamlined, unified leadership cadre at the pinnacle of the APS, with a clearly articulated role to consider and progress cross-government strategic priorities
- ensuring performance management and learning and development for the SES is structured to promote unity and collegiality, including a strengthened approach to upholding and promoting the APS values
- clarifying roles and responsibilities of the APS when dealing with ministerial offices
- focusing more on talent and succession management, both centrally and in individual APS agencies.

Questions for discussion

- Should the APS Values be streamlined? What values do you consider should be included in a revised set of APS values?
- How do we ensure that APS leaders fulfil their responsibilities to promote and uphold the values?
- Do you think the APS engages appropriately and actively with government on an apolitical basis?
- Are further reforms needed to clarify the roles and responsibilities of the APS when dealing with ministerial offices??

High quality, forward looking and creative policy advice

Provision of policy advice to the government of the day is one of the most important functions of the public service. Essentially, policy formulation involves understanding the government's strategic objectives, identifying how to achieve those objectives, selecting the most suitable policy instruments for doing so, and setting out how such instruments will be implemented.¹ This chapter will focus on how we can enhance the APS's capacity to provide policy advice that is more creative and strategic, including consideration of effective implementation.

What is required for high performance?

For the public service to be able to deliver high quality, forward looking and creative policy advice to government, it requires excellence in four domains:

1. policy formulation—the capability to design 'best fit' and robust policy responses that are innovative, outward looking, capture stakeholder and expert views, and designed to impose minimum regulatory compliance costs
2. policy integration—connected and integrated policy processes that can draw together all relevant areas of government, particularly service delivery agencies
3. human capital—highly capable, skilled and professional policy officers, with the right balance of specialists and generalists, who can exercise sound judgement in the face of ambiguity and uncertainty
4. performance management—well-calibrated performance management frameworks that ensure that the policy work of the APS supports the priorities articulated by government and rewards collaboration, creativity and investment in organisational capability.

Even with the above foundation for policy excellence in place, we consider a final essential ingredient for high performance as a public service is the paramount principle of focusing on citizens in the formulation of policy advice. This can mean making sure that citizens' or clients' experiences of engaging with the program, service or regulation resulting from the policy intervention is at the forefront of the policy maker's mind. This will involve, where possible, actively engaging citizens and stakeholders in the policy formulation process so that their perspectives and ideas are taken into account. In many cases, it will involve weighing up benefits for one group of citizens against costs imposed on another group.

In addition to advising on direct Commonwealth responsibilities, the APS is increasingly required to assist the Government play a leadership role on matters of national, regional or global significance. The APS will need to think more creatively about the potential levers available to the Australian Government to facilitate cross border agreements or

¹ Conference Board of Canada, Briefing December 2007—*Building Policy Research Capacity*—sourced from the United Kingdom Strategy Unit, p.2
http://www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/building_research_policy_capacity_brief.pdf

influence policy settings when responsibility is shared with other governments or entities. Recent examples include regulatory and microeconomic reforms, water reforms, G20 reforms, climate change and renewable energy reforms.

Discussion of current performance

Internationally, our public service ranks very highly—particularly in terms of providing independent advice to government.² However, there is a concern that the policy capability of the APS requires strengthening, especially in terms of its ability to provide innovative and creative advice at a strategic level. In an address to the SES in April 2008, the Prime Minister specifically identified the need to enhance the APS's strategic policy capability as a government priority.³

Gauging the quality of policy advice

Accurately assessing the quality of policy advice is a complicated task, made more difficult by an absence of appropriate data or information. The budget and annual reporting frameworks are important mechanisms for measuring the overall performance of each public service agency against outcomes, but they provide little scope for specifically measuring strategic policy capability. Qualitative feedback from Ministers, or peer review, may be useful indicators of performance for the APS in this area. However, only some agencies collect such feedback and the data is not published:

- the *State of the Service Report 2007–08* reveals that of all APS agencies providing regular advice to Ministers, less than half systematically collect formal feedback⁴
- a third or less of all APS agencies collect oral feedback from Ministers or ministerial staff⁵
- three quarters of agencies report internal peer review of ministerial briefs.⁶

Innovation and integration with the frontline

The ability to be innovative is a crucial capability when it comes to providing strategic policy advice to government. The *State of the Service Report 2007–08* revealed most APS employees to be somewhat negative about the capacity of their agencies to be innovative. There is also a wide divergence of views on this subject between SES and non-SES employees. Non-SES staff were far less positive than their senior colleagues about the support and encouragement they received for taking innovative approaches.

As indicated in Figure 5.1, APS employees are keen to learn about new ideas and to trial them in their work. As a note of caution, though, it is worthwhile acknowledging that

2 Accenture, *An International Comparison of the United Kingdom's Public Administration*, October 2008, p.40; Institute for Management Development (IMD) World Competitiveness Yearbook, where Australia is ranked 3rd in the world

3 Prime Minister, the Hon Kevin Rudd PM, *Address to Heads of Agencies and Members of the Senior Executive Service*, 30 April 2008

4 Australian Public Service Commission, *State of the Service Report 2007-08*, p.190

5 Australian Public Service Commission, *State of the Service Report 2007-08*, p.190

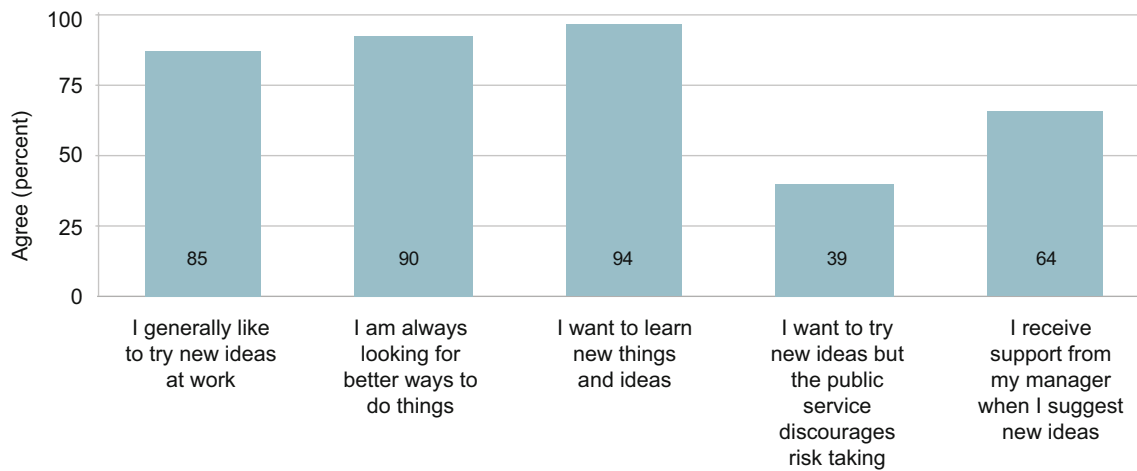
6 Australian Public Service Commission, *State of the Service Report 2007-08*, p.190

innovation in the public sector as opposed to the private sector does raise additional issues, particularly around the management of risk:

'...the only way to have good ideas is to have lots of ideas and discard the bad ones, but you cannot afford too much creativity with benefit payments or traffic lights, school curriculums or court procedures'.⁷

A great catalyst for policy innovation is actively capturing and incorporating lessons and experiences directly from the front line. Yet in 2007–08, only 54% of employees viewed their agency as having effective feedback mechanisms to connect policy development to service delivery and implementation.⁸

Figure 5.1 | Employee views on innovation at work, 2007-08⁹



Designing policy with minimum compliance costs

The challenge for the public service is to design regulation that is both efficient and effective. To be efficient it must impose a low regulatory burden. To be effective, it must achieve the intended outcome. The Council of Australian Governments has agreed principles for best practice regulation.

The Government has also stated that its agenda for deregulation includes revisiting the recommendations of a 2005 review of regulation in Australia, the Banks Review, to 'turn them into real outcomes for business'. At the Commonwealth level, the Office of Best Practice Regulation (OBPR) in the Department of Finance and Deregulation provides best practice guidance to agencies on the design of regulation to achieve efficient and effective outcomes. Agencies report on their regulatory activities, and compliance with OBPR requirements is generally high. In 2007-08, 87% of Regulatory Impact Statements were assessed as adequate. In addition, 82% of regulatory agencies have a published regulatory plan for the introduction and review of regulation they administer.¹⁰

⁷ G. Mulgan, *360 Degree Improvement and the Imperative of Social Innovation*, Address to the National School of Government, UK Public Services Conference 2006, London, p.3

⁸ Australian Public Service Commission, *State of the Service Report 2007-08*, p. 25

⁹ Australian Public Service Commission, *State of the Service Report 2007-08*, p. 273

¹⁰ Office of Best Practice Regulation, *Regulatory Performance Indicators 2007-08*

In relation to the existing stock of regulation, the need for improvement has already been identified. OBPR now oversees or reports on post-implementation reviews of regulation and, from 2012, regulations which are not subject to other review will be reviewed systematically five years after their introduction.

Barriers to the provision of high quality policy advice

There are currently a number of barriers which can be identified impeding the ability of the APS to develop and deliver high quality policy advice to government.

Barriers to collaboration

Collaborative policy formulation and implementation can be hindered by a single agency approach to policy development, rather than an approach to policy development that focuses on outcomes irrespective of whether or not they are cross-portfolio in nature.

The single agency budget framework, with a heavy bias on achieving results within agencies, is arguably at odds with shared policy objectives that span individual agencies and portfolios. Among SES and Executive Level (EL) employees who dealt directly with colleagues elsewhere in the APS during 2006-07, for example, nearly two thirds felt that current financial and accountability arrangements did not facilitate a whole-of-government approach to their work.¹¹

There are also indications that an agency centric focus has a negative impact on APS culture, particularly in terms of leadership unity. In 2007-08, only 40% of the SES saw themselves as being part of a broader public service leadership group and a mere 16% of non-SES employees considered their senior colleagues to be part of a broader leadership group.¹²

Many of the outcomes articulated by the Prime Minister and state leaders in recent times require delivery by more than one level of government. Along with the need for more collaborative approaches within the APS towards understanding and delivering these outcomes, there may be scope for better coordination in the development of cross-jurisdictional policy.

Collaboration—especially where it draws together different ideas and perspectives from academia, business, citizens and other stakeholders—is vital in terms of driving innovation¹³ and addressing this barrier is a vital component of overall APS reform.

Engaging with risk

The APS needs to nurture a culture where new, innovative and creative policies are explored and experimented with. To make this happen, the APS needs to have greater tolerance for failure when it occurs as a result of carefully considered risk taking. Rather

¹¹ Australian Public Service Commission, *State of the Service Report 2007-08*, p. 232

¹² Australian Public Service Commission, *State of the Service Report 2007-08*, p. 111

¹³ Minister for Innovation, Industry, Science and Research, Senator the Hon Kim Carr, *Powering Ideas: An Innovation Agenda for the 21st Century 2009*, p.8

than punishing failure, the APS must ensure it learns from mistakes and uses those lessons to enhance and shape better policies for the future.

As noted earlier, fostering innovation is often a more challenging task for the public sector than the private sector, especially given the potentially significant consequences of failure.

Current attitudes towards risk in many parts of the APS have been linked to the current accountability and performance management arrangements in place.¹⁴ These arrangements may need to be re-examined in terms of the scope they provide for public servants and agencies to take acceptable risks as they push the boundaries of policy in pursuit of innovation.

Short-term focus

In terms of the development of strategic, long-term policy, a significant challenge for the APS is the intense pace of work required to keep up with governments that are increasingly driven by the relentless 24/7 media cycle of the 21st century. The capacity of APS agencies to focus on long-term issues is often overwhelmed by day-to-day demands. In his recent valedictory address, former portfolio secretary Dr David Borthwick stated:

'the immediate pressures of program and service delivery take priority over long-term policy development'.¹⁵

While some portfolios have retained the dedicated long-term research capabilities of the past, the long-term research capacity of APS agencies in general has diminished.¹⁶ Partly as a result, there is a concern that the overall emphasis on evidence based policy in the APS has weakened.

Skills gaps

The current learning and development framework for the public service does not feature a clear systematic approach to strengthening the APS's overall strategic policy capability. Each agency is responsible for building its own specific skills base in relative isolation and there is no overarching strategy across the APS to ensure a broader process of shared learning across all agencies.

Many policy officers also lack a sufficiently diverse range of public service employment experiences—particularly on the front line in program or service delivery. This can often have a negative impact on their strategic policy making ability, especially when it comes to the challenge of connecting higher level policy formulation to the attainment of practical outcomes on the ground.

14 Australian Public Service Commission, *Delivering Performance and Accountability*, Contemporary Government Challenges, 2009, p.44

15 David Borthwick's Valedictory Lecture, 'As if for a thousand years...' February 2009

16 For example, the Bureau of Immigration Research was abolished in 1996. The Bureau of Industry Economics has been absorbed into the Productivity Commission and the Bureau of Labour Market Research was absorbed into the current day DEEWR in the mid-1980s.

Possible reform directions

Improving policy formulation and integration

There are a number of specific ways in which we might seek to strengthen the strategic policy capability of the APS, especially its ability to formulate strategic policy in an open, outward looking and collaborative way.

One particular idea that may have merit is the establishment of 'strategic policy hubs'. Potentially spanning agency and portfolio boundaries, strategic policy hubs could be specifically tasked with addressing long-term strategic issues and setting out policy directions. These hubs could effectively act as centres of strategic policy development that could tackle complex, long-term, whole-of-government policy challenges.

In terms of how hubs could work, they might undertake the research, analysis, consultation and external scanning of the policy environment that is needed to produce and deliver high quality strategic policy advice to government, including options for implementation. Instilled with an outward looking culture based on openness, creativity and innovative thinking, hubs could be used to bring together a wide variety of people from state, territory and local governments, academia, the private and third sectors, as well as experts from overseas.

Having people work together in such an environment on many of our most challenging policy problems may provide the APS with a powerful policy tool sharpened by a rich array of skills, perspectives and experiences. The broader public service as a whole would also be able to use the new methodologies and approaches learned and established within these centres of strategic policy excellence. To drive greater coordination in the development of cross-jurisdictional policy and improve cooperation and collaboration with states, territories and other stakeholders, policy hubs could have a presence outside Canberra.

Alternatively, or in addition to the establishment of policy hubs, a range of other procedural changes might be implemented to help build a stronger policy making capability. The introduction of an APS charter of policy making principles could be useful in terms of setting out best practice approaches to policy development (including working with states and territories and other partners and professionals in the community). Learning and development arrangements could also be revisited to more strongly focus the APS on the development of strategic policy skills.

Building workforce capability

The adoption of an overarching human capital strategy for the whole of the APS may be a fruitful area for reform, and could be considered essential if the capability of the APS workforce is to be maximised.

A renewed commitment to learning and development is needed, including the deepening of the APS's relationship with relevant formal educational institutions—such as the Australia and New Zealand School of Government. Ensuring the APS has at its

disposal a uniquely Australian way of delivering the impact of the Harvard University's highly influential Kennedy School of Government, for example, would be likely to be an extremely valuable initiative. The capabilities developed would include public sector management, policy formulation based on innovative research, business case development and program implementation.

Additional learning and development options could also be developed for more junior policy officers—including through greater opportunities to gain a richer variety of public and private sector experiences—to help enhance workforce capability at all levels of the APS. Increasing workforce diversity would also increase the range of experiences and perspectives of policy matters. The value of diversity is readily recognised within the program and service delivery workforce but it should be equally valued in the policy sphere.

Performance measurement framework

Consideration could be given as to whether reforms to existing performance measurement frameworks might help strengthen strategic policy capability and drive improvements in delivery of outcomes. It may be timely to review current settings and possibly introduce new elements, including:

- A revised budget framework to measure and report on the delivery of shared priorities across portfolios, as well as to better support trialling of new approaches to policy development and implementation. Any revisions should still support and underpin ministerial responsibility and maintain appropriate levels of transparency and accountability.
- Reviews to assess agency capability on several dimensions, including leadership and workforce capability, strategic policy and implementation capability and ability to meet government expectations. We can learn from other countries, such as the United Kingdom, Canada and New Zealand, which are already using or trialling similar approaches.
- Individual performance arrangements that are aligned with any revised budget framework, agency capability review processes, and effective implementation. For senior leaders in particular, performance in supporting a more collaborative and innovative culture could be assessed and personal contributions to building the policy making and implementation capabilities of their agencies measured.

Portfolio structures

Australian Government administration contains a complicated mix of institutional arrangements. Portfolio structures are complex and the way in which information flows to Ministers varies from portfolio to portfolio. In thinking about portfolio structures, we must ensure that lines of responsibility and accountability within portfolios are clear. We must also preserve the role of independent statutory office holders.

However, there may be a case for looking at the mix of activities which occur within a portfolio and the structures which support that activity. There is a strong argument for the

establishment of fit for purpose institutions to deliver specialist advice on particular topics. There is also a strong argument for enabling portfolio secretaries to provide consolidated policy and implementation advice to Ministers across the portfolio. There is a need to ensure that institutional arrangements deliver policy coherence, internal contestability of ideas, an encouragement of policy innovation, and a clear flow of information to Ministers.

Questions for discussion

- How can internal and external collaboration be strengthened to improve policy development and implementation?
- What should be done to continuously improve the capability of the APS workforce in policy formulation and implementation?
- What can be done to bring the workforce development approach of the APS up to the level of the best organisations globally?
- How do you think a stronger culture of innovation can be fostered?
- What approaches to engaging with risk are most appropriate for the APS to provide high quality, forward looking and creative policy advice?
- How can agency performance management processes be amended to maximise the focus on the attainment of outcomes?

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

Along with the provision of policy advice to the government of the day, the delivery of public programs and services on behalf of the government is an integral function of the public service. The Government has made clear that achieving improvements in program and service delivery should be a key priority of any reform process. This chapter will focus on enhancing the APS's overall capability in relation to the provision of high quality, effective programs and services, including strengthening their focus on the needs of citizens.

What is required for high performance?

In order to consider how best to improve program and service delivery, it is important to understand the delivery landscape. Any reform agenda must take into account the fact that public service delivery in Australia is provided through an intricate web of arrangements involving all levels of government—Commonwealth, state and territory, and local—as well as a range of contracted private service providers and non-governmental organisations. The many different programs and services currently delivered also vary widely in terms of their nature and complexity—from the simple provision of information, to the undertaking of advisory or assessment services, to regulatory and transactional services. Regardless of the nature of the program or service or who undertakes delivery, high performance requires excellence in four key areas. Programs and services must be:

1. citizen centred
2. well designed
3. delivered by capable people
4. well managed.

Citizen centred philosophy

Being truly citizen centred means placing the citizen at the centre of the entire public service endeavour. This requires a meaningful commitment to actively engaging and empowering people at all points along the service delivery chain—from high-level program and policy formulation all the way to the point of service delivery, and capturing feedback from the users of services. The public service also needs to be capable of effectively interacting with citizens with unique or special needs or whose circumstances do not fit what might be considered the norm.

Well designed programs and services

With the citizen as the starting point, APS programs and services must be well designed and continuously developed and improved. To achieve this, the public service must be outcomes based, with greater freedom and impetus for innovation. To foster innovation, service design, delivery and policy formulation must be well integrated. The APS must also get good at stopping programs that don't work. In addition, empowering service providers across the spectrum to drive and deliver change on the frontline is essential. However, new ideas will always need to be trialled in a controlled way that manages accountability and the issue of consistency of treatment of people.

Capable people

It is possible to identify a generic set of core skills and capabilities needed to drive performance improvement and citizen centred approaches:

- analytical ability to link service delivery to program design and innovation
- communication skills, especially to undertake citizen engagement
- collaboration skills, particularly team skills and working with other agencies
- program and project management skills, including financial management
- leadership and capacity for innovation at all levels
- IT and information assurance skills
- the ability to manage people and organisational performance.

Performance management

A well-designed performance management framework will also be needed to produce performance improvements and to help ensure that the work of the APS closely aligns with the priorities of the government of the day. Wherever possible, measurement should be against the attainment of particular outcomes for citizens rather than against process or funding milestones.

Discussion of current performance

Generally, citizens in Australia appear satisfied with the services provided to them by the Australian Government. Evidence for this includes:

- in 2006-07, the average satisfaction level for services provided by 18 Commonwealth agencies (including Medicare, the Australian Taxation Office and CRS Australia) was between 74% and 97%¹
- in a 2008 assessment of the quality of e-government services and products of 192 member states of the United Nations, Australia ranked eighth.²

¹ Australian Public Service Commission, *State of the Service Report 2006-07*, p.257

² UN Department of Economic and Social Affairs, Division for Public Administration and Development Management, *UN E-Government Survey 2008: From E-Government to Connected Governance*

Although our current level of performance may be reasonably high, we cannot be complacent—particularly in terms of our focus on the citizen, as highlighted by the Prime Minister:

'We need to continue to reform our system of government and government services so that our citizens lie at the centre rather than the inflexible behemoths of official bureaucracy'.³

Current barriers to high quality programs and services

Effective reform would need to encompass the full breadth of service delivery arrangements, and all levels of government will need to work together in a cooperative manner. In the future there is likely to be an increasingly greater role played by not for profit organisations and local government in public service delivery, and this will need to be taken into account. It will also be important to consider whether reforms would best be achieved sequentially, comprehensively or via a rolling reform agenda.

Figure 6.1 | Commonwealth, State & Territory and local government service delivery reform



Measuring quality of service delivery

One of the most useful indicators of quality in public service delivery is feedback from the public, which can be captured through a variety of methods.⁴ A critical issue is whether agencies use this feedback to improve service delivery. The most recent State of the Service Report shows that over 80% of agencies claim they often do so, but there is no formal mechanism in place that requires agencies to report on the feedback they receive or how they respond to it (though these issues may be addressed through annual reports or in response to specific issues).⁵ There is also no mechanism in place to measure general citizen satisfaction with services or to compare levels of satisfaction across

³ Prime Minister, the Hon Kevin Rudd PM, *Soft Hearts: A Future Reform Agenda for the New Australian Government*, Address to the Progressive Governance Conference, London, 4 April 2008

⁴ Australian Public Service Commission, *State of the Service Report 2007-08*, p.257

⁵ Australian Public Service Commission, *State of the Service Report 2007-08*, p.257

different service types. Countries such as Canada and New Zealand are adopting this benchmarking approach as a means of improving key services, and this approach may have benefits if adopted in Australia.

Innovation and integration with the frontline

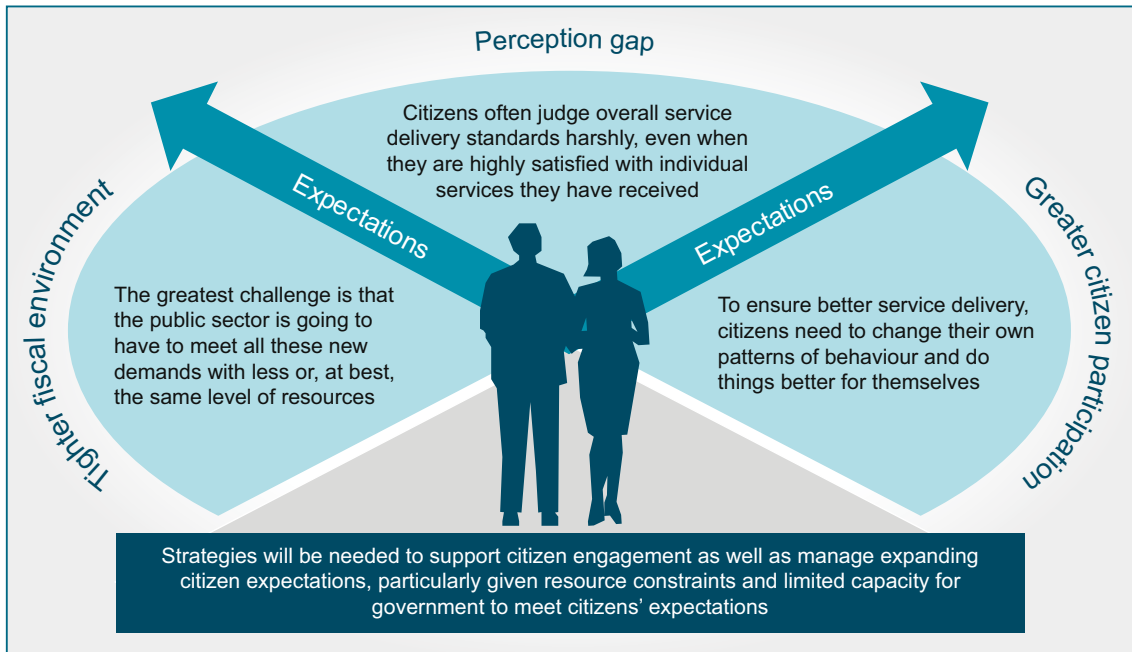
The general gap in perceptions in the APS about the support for innovation and new ideas (discussed in Chapter 5 in relation to policy development) is a concern. In the past, individual service delivery agencies were established in order to encourage innovation and creativity at the frontline of service delivery. While this approach has delivered benefits, it has also come at some cost—particularly as a result of the detachment of high-level, strategic policy development from actual frontline experience and an understanding of on-the-ground realities.

The capacity of services to meet citizen needs frequently depends on the capacity of service delivery staff to respond in a timely fashion to issues that arise at the delivery frontline. Another factor is the degree to which frontline experience is captured and incorporated into service delivery agency processes. New technologies are bringing new opportunities to enhance feedback between service delivery and policy or program design areas—more than half of all Australians now interact with government using a variety of e-technologies—but a cultural shift among policy and service delivery agencies is needed for these opportunities to be fully exploited.

Finding the right balance in light of citizen expectations

Whilst clearly not a barrier to improved performance, meeting increasing citizen expectations of services is a significant challenge, particularly given the demand to meet those expectations in a tight fiscal environment. Sometimes expectations can be contradictory, for example, some people want more services and lower taxes. This challenge is illustrated in Figure 6.2.

Figure 6.2 | The challenge of meeting greater citizen expectations⁶



Possible reform directions

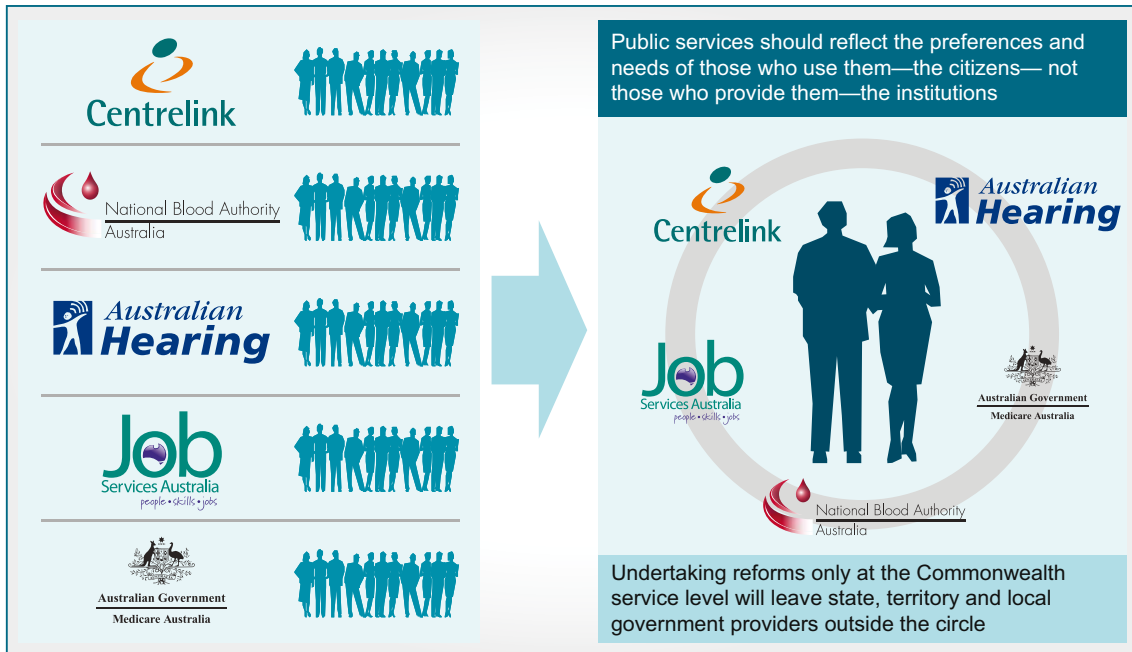
A whole-of-government commitment to citizen centred service delivery, supported by a strong APS culture focused on designing and developing better services for the citizen, could lead to new service delivery channels and more choices for users. In essence, the public service must move from services that are government centric to services that are focused on citizens—the patient, the parent, the pupil, the law abiding person.⁷

In terms of possible reform directions, the APS might explore developing, deploying and clustering government services in such a way that customers efficiently access the wide range of transactions and services they require in a far more convenient way—such as through place-based, one-stop public service shops. One-stop shops could form part of a collaborative, cross-government, cross-sector strategy to foster and coordinate deeper citizen engagement, become much more client oriented and establish world’s best service delivery systems and practices.

⁶ Ipsos MORI survey reported in Accenture, *An International Comparison of the United Kingdom’s Public Administration 2008*, United Kingdom, p.36; Sir Gus O’Donnell, *Address to the Lancaster University Management School*, 18 February 2009; Presentation by Lynelle Briggs, APSC, John Curtin Institute of Public Policy, Curtin University of Technology, 21 May 2009

⁷ United Kingdom’s previous Prime Minister Tony Blair, *Speech on the future of public services*, 3 March 2005

Figure 6.3 | A citizen centred public service delivery philosophy



Better integration

Better integration of service design, delivery and policy formulation would help to bridge the divide between on-the-ground learnings and higher-level design processes, especially by capturing ideas from frontline staff, stakeholders, the community and the private sector. This could improve policy development through helping ensure a closer alignment with citizens’ needs, and would facilitate the trialling of more innovative ways to create service delivery solutions. Some of the structural options discussed in Chapter 5 could support this endeavour.

Progress in integrating service delivery across government would require a holistic, strategic approach. A strong commitment to achieving internal efficiencies and improving business processes on an ongoing basis would be needed. There would also need to be active and continual engagement with citizens and third-party service providers, with better coordination and collaboration across those service providers. Importantly, one size will not fit all—accountability and governance frameworks that are fit for purpose would need to be put in place, specifically tailored to cover whole programs or services (especially where their outcomes span government portfolios).

More choice

Service delivery should, wherever possible, emphasise choice. People should be empowered, where possible, to identify their own needs and to access individual or combined packages of services that help them address whatever circumstances or life events they are facing that require them to interact with government.

Figure 6.4 | Empowering citizens to make their own choices



Better business practices

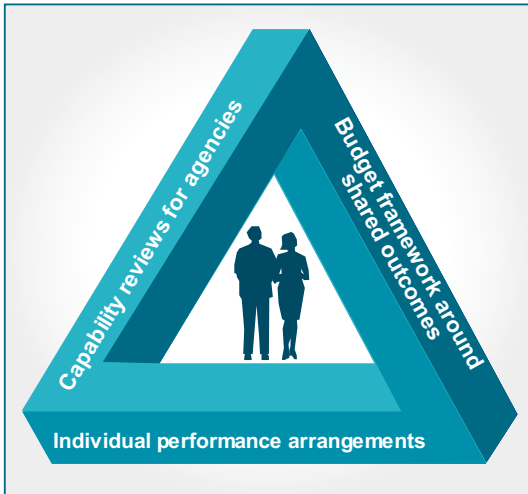
Many modern business management practices and philosophies may need to be adopted by the APS to enhance program and service delivery capabilities. Some agencies are already leading the way in doing this. To maintain a strong and continued focus on the end user—the citizen—departments, agencies and service providers will also need to continually pioneer best practice approaches to the business of public service. A process of simplification and business re-engineering in the service delivery 'back room' of some agencies might be needed to overcome many barriers to higher performance.

Enhanced performance management framework

As identified in Chapter 5, a multidimensional performance management framework focused on outcomes for the citizen could help to measure and improve performance (across government, within agencies and by individual public service officers) and ensure improvement in the design and delivery of individual services and programs (see Figure 6.5).

In addition, more widespread employment of citizen satisfaction surveys could help inform all elements of performance management—including the verification of quality standards, benchmarking performance across delivery providers and providing input to agency capability reviews. A service-wide human capital strategy and centralised learning and development framework for building APS capability would also help ensure the public service has the right set of skills and competencies in place to deliver high quality, effective programs and services focused on the needs of citizens.

Figure 6.5 | A multi-dimensional performance management framework



Questions for discussion

- How do we embed a citizen centred philosophy in all aspects of program and service design and delivery?
- How can we better bring together service design, delivery and policy formulation processes—within individual programs and across all of government?
- What options could be pursued to ensure citizens, especially those with higher needs, can access government information and services that they need?
- How can we ensure performance management frameworks focus on the attainment of outcomes for citizens?

Flexibility and agility

The public service must be able to respond rapidly and effectively to changing realities and government priorities. The ability to do so is especially important when the challenges confronting public servants are characterised by ambiguity or uncertainty—the recent global financial crisis and swine flu pandemic being examples of such challenges.

With particular reference to the ever accelerating pace of change in modern Australia, former Cabinet Secretary, Senator the Hon John Faulkner, has stated that two increasingly vital characteristics for the APS are flexibility and agility.¹ Flexibility and agility are broad concepts that touch on almost all aspects of APS activity. In the public service context, agility can be defined as:

*‘having the capacity to understand and meet the public’s needs in the short term, adapt to trends and issues in the medium term, and shape public needs over the long term’.*²

In this broad sense, agility overlaps and intersects with most other objectives of a highly performing public service identified and discussed elsewhere in this paper, especially in relation to the provision of high quality policy advice and services.

What is required for high performance?

A flexible and agile APS would have at least the following attributes:

- **mobility**—ensuring that people can readily move into and across the APS to help build a richer base of skills, ideas and experiences at all levels, as well as enabling resources to be easily redeployed to high priority areas
- **continuous improvement**—striving for continuous improvement in all areas of public administration, including business systems, agency management and culture
- **one-APS culture**—fostering a better environment for cross-organisational collaboration, including between regulatory, service delivery and policy development agencies.

Discussion of current performance

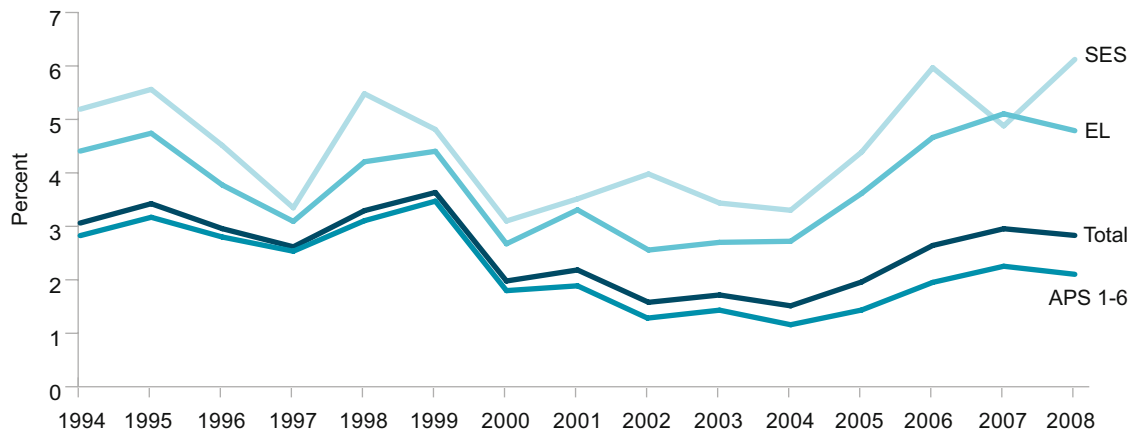
Mobility

Employee mobility between APS agencies is currently regarded as relatively low, though evidence shows some degree of recovery since very low levels in the period between 2000 and 2004—particularly for SES and Executive Level employees (see Figure 7.1). It is worth noting, however, that having an accurate long-term view of mobility rates is made difficult by periodic machinery of government changes which by their nature involve many transfers of staff across the APS.

1 Senator the Hon John Faulkner, Former Cabinet Secretary, Speech to the CPSU, March 2008

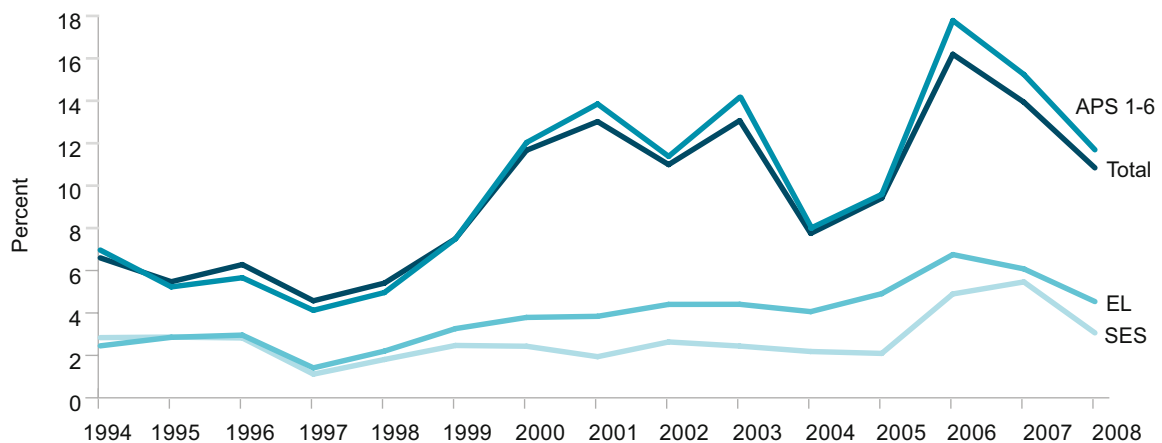
2 State Government of Victoria and Demos, *Towards Agile Government*, 2008, p.5

Figure 7.1 | Combined promotion and transfer rates between agencies, ongoing employees³



Overall, the rate of movements into and out of the APS is higher than the rate of interagency movements (see Figure 7.2), but the opposite is true for SES officers.

Figure 7.2 | External engagements to the APS⁴



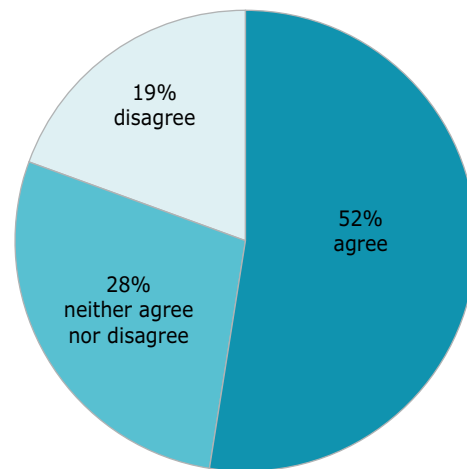
3 Australian Public Service Commission, APS Employment Database

4 Australian Public Service Commission, APS Employment Database

Continuous Improvement

In recent surveys of public employees, 52% indicated they considered their agency encouraged them to examine the way in which they went about their work in order to identify areas for 'doing it better' (see Figure 7.3). The fact that around half of the APS might feel a lack of support for finding ways of doing things better indicates there may be room for gains to be made in this area.

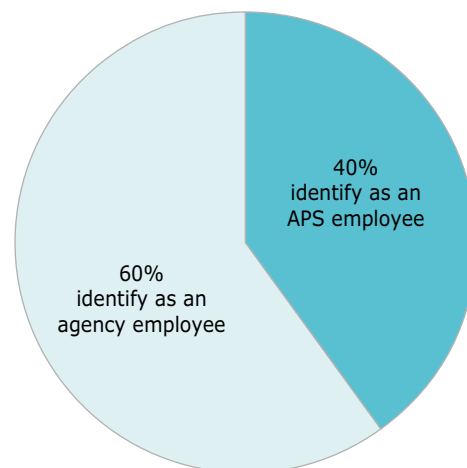
Figure 7.3 | My agency encourages employees to examine what they do and find ways of doing it better⁵



One APS-culture

Discussions in earlier chapters highlighted concerns regarding a lack of unity across the public service. Figure 7.4 indicates such concern is justified, with less than half of all respondents identifying themselves as APS employees as opposed to an employee of their individual agency. Such strong agency-based identification may not be conducive to cross-organisational collaboration and mobility, both of which are necessary for an agile and flexible public service.

Figure 7.4 | APS employees' primary identification, 2008⁶



Barriers to flexibility and agility

Remuneration disparity

Increasing disparity in remuneration between Australian Government entities arguably impedes mobility and the establishment of a one-APS culture.

In general, there has been a growing disparity in remuneration levels across the APS (see Figure 7.5). There are some indications that mobility may be influenced by pay differentials between agencies to the detriment of medium to lower paying agencies.⁷ While agency level bargaining has delivered significant productivity gains and has assisted

5 Australian Public Service Commission, *State of the Service Report 2007-08*

6 Australian Public Service Commission, *State of the Service Report 2007-08*

7 Australian Public Service Commission, *State of the Service Report 2007-08*, p.96

agencies to deal with labour market pressures, it is arguable that too much disparity has developed, hindering mobility and acting as a barrier to cross-APS unity.⁸ Pay disparities among agencies also significantly complicate machinery of government changes (MOG), as illustrated by the case study example in Figure 7.6.

Figure 7.5 | Gap between the minimum and maximum salary paid by different departments, by classification⁹

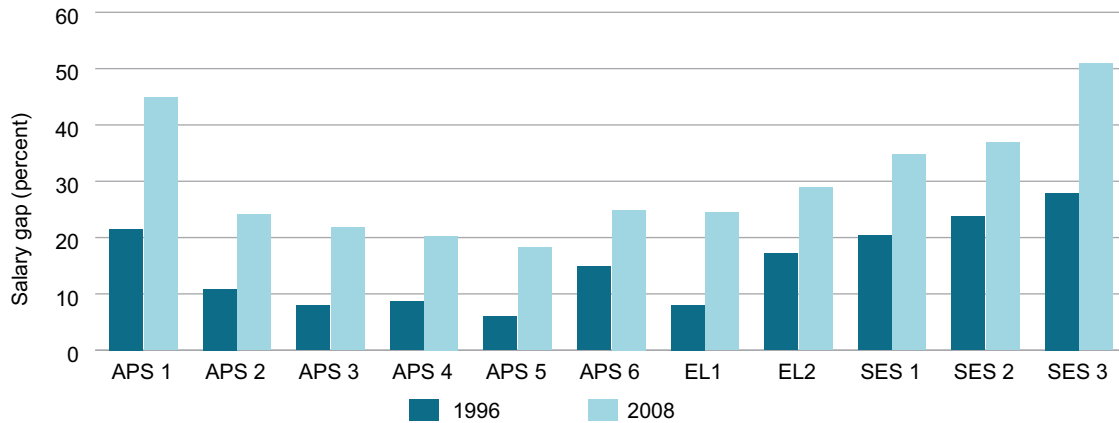
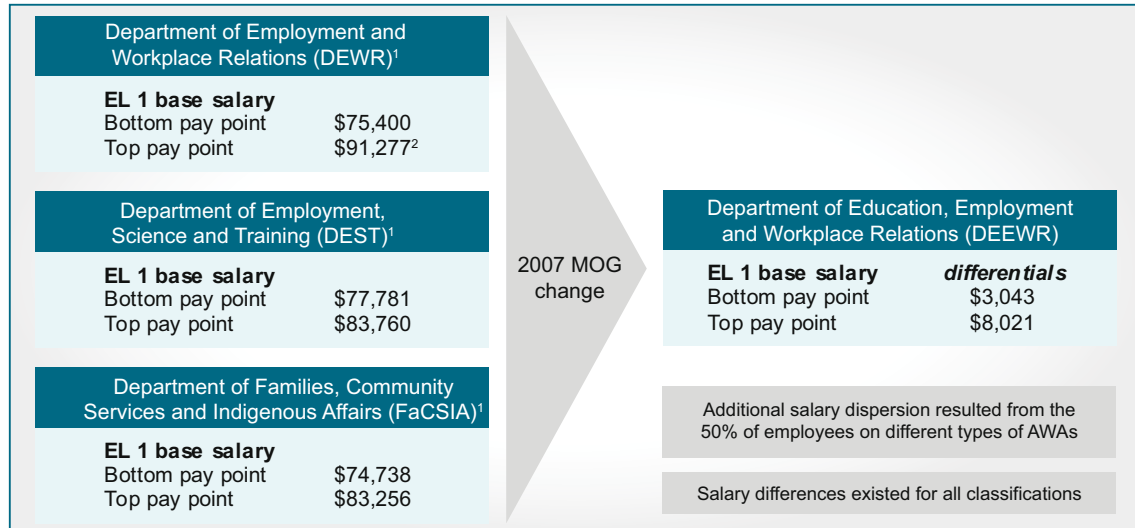


Figure 7.6 | Case Study of Machinery of Government Change—Creation of the Department of Education, Employment and Workplace Relations¹⁰



⁸ Australian Public Service Commission, *State of the Service Report 2007-08*, p.96

⁹ Mercer data for 2007 is base salaries at the 5th and 95th percentiles; for 1996 rates, the Continuous Improvement in the APS Enterprise Agreement 1995-96. Australian Public Service Commission, *State of the Service Report 2007-08*

¹⁰ Information provided by the Department of Education, Employment and Workplace Relations [Notes: (1) Base salaries in certified agreements prior to 1 September 2008; (2) Only available to particular employees]

Another possible barrier to employee mobility that has arisen over the past decade is an increasing lack of maintenance of the APS-wide classification system. A common classification system should assist mobility and help to support a one-APS culture. In practice, however, classification creep and erosion in the work level standards underpinning the classification system appear to have distorted the system (see Figure 1.6 in Chapter 1).

While the upward shift in the classification structure has had a range of contributing factors—including the introduction of new technology and the changing nature of APS work, such as outsourcing less skilled processing work—there is less confidence that an employee in one agency is performing at the same work level standard as an employee at the same classification in another agency.¹¹

Disparities in remuneration and a lack of maintenance of the APS-wide classification system reflect the strong devolution to agencies of management functions for human and financial resources that took place as part of the New Public Management reforms of the 1980s and 1990s. The extent of this devolution (Australia is ranked third out of 26 OECD countries in relation to the extent of delegation of human resource management) is arguably a fundamental barrier to a more unified APS.¹²

Recruiting from outside the APS

Government bodies must be able to effectively compete in the employment market. There are several obstacles which arguably impede its ability to do so:

- overly complex and lengthy recruitment and selection processes that act as barriers or a disincentive to some applicants (half of recruitment processes in 2007-08 in the APS took longer than 2 months)¹³
- a lack of portability of employee entitlements for employees moving from state public services to the Commonwealth level (and vice versa) even for short periods
- the Canberra-based location of many senior public service jobs may prevent some talented people taking a role with the APS, despite being otherwise willing to do so.

Delivering continuous improvement

Barriers to continuous improvement are largely addressed in other chapters. They include:

- attitudes towards risk
- an intolerance for experimentation and failure
- a lack of a process for reviewing agency capability on a systemic basis
- a lack of reward and recognition for new ideas.

11 Australian Public Service Commission, *Agency Classification Management Survey* (unpublished), 2009

12 Organisation for Economic Cooperation and Development, *The State of the Public Service 2009*, p.39

13 Australian Public Service Commission, *State of the Service Report 2007-08*, p.81

Possible reform directions

A more coordinated approach to aspects of human resource management could create a more unified APS and encourage more mobility between agencies, thus allowing a more rapid response to emerging challenges and reducing disincentives for employees to gain a wide range of experiences during the course of their careers. Any move to reduce remuneration disparity would need to be mindful of the need to ensure the maintenance of a consistently applied APS-wide classification system.

The APS could also consider adopting a more universal approach to recruitment at certain entry points, including graduate entry. A program involving work placements in more than one agency might improve the one-APS culture.

A more consistently applied view of training and leadership development frameworks could also serve to improve APS-wide employee attachment, improve mobility and address concerns around the weakening of a one-APS culture. If such reforms are adopted, they would need to ensure agencies retained sufficient human resource discretion to identify particular skill sets required in their own context and that other gains from devolved management are retained.

The APS could also undertake a thorough examination of recruitment and selection processes. As part of this, consideration could be given to enhanced recognition of entitlements accrued by state and territory public servants to improve cross-jurisdictional mobility. Giving consideration to locating certain functions or positions outside Canberra to increase the ability of highly skilled non-Canberra residents to participate in government could also be examined.

Reforms to encourage continuous improvement might focus on developing a performance framework to actively encourage employees and leaders to develop better ways of working, and help overcome unnecessary aversion to risk.

Questions for discussion

- What is the optimal rate of mobility between APS agencies and other parts of the labour market? What could the APS do to encourage and support greater mobility?
- What practical mechanisms could be used to foster a more unified public service culture?
- How could recruitment practices be enhanced within Australian Government entities? What are the strengths of current recruitment processes?
- What are your top three ideas to encourage the pursuit of continuous improvement across the public service?

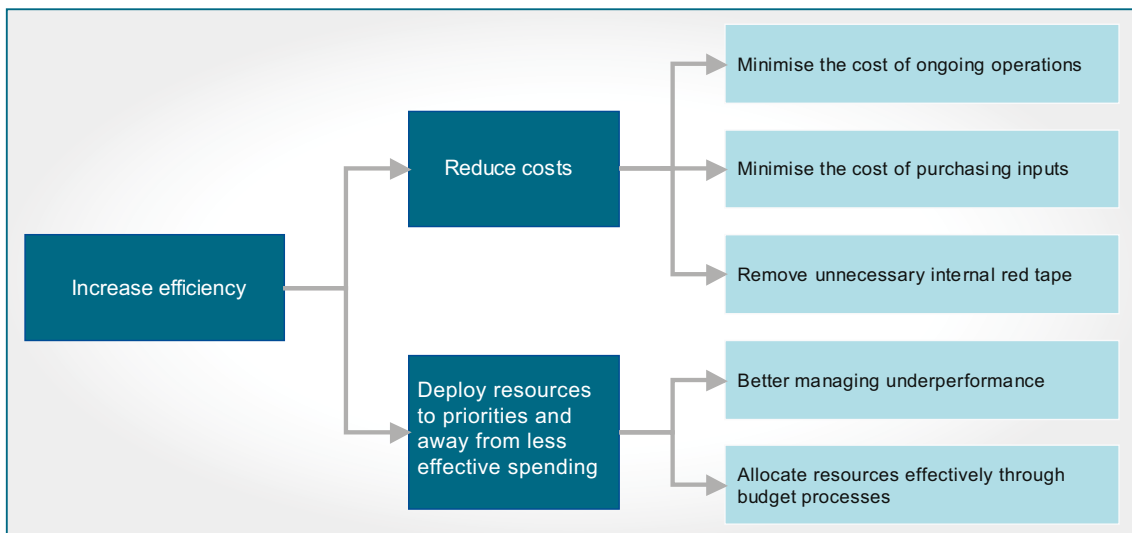
Efficiency in all aspects of government operations

Implementing the government's reform agenda, as well as dealing with future economic challenges, will require the public service to withstand potentially significant short, medium and long term financial pressures. Based on the current outlook, it is likely the APS will be operating in a challenging fiscal environment for the next 5–8 years, if not longer. It is worth noting that the current government has made a commitment to hold real growth in spending to 2% a year until the budget returns to surplus. To operate effectively in this environment, it will be essential for the APS to maximise efficiency in all aspects of government operations.

What is required for high performance?

Maximising efficiency is achieved 'simply' by improving outcomes with the same level of inputs or achieving the same outcomes with a lower level of inputs. A framework for increasing efficiency and effectiveness in the public sector is set out in Figure 8.1. Essentially, what is required is for the public service to minimise the costs of all ongoing operations without compromising quality and ensure it is able to deploy its increasingly scarce resources away from less effective spending towards higher priorities.

Figure 8.1 | Framework for achieving public sector efficiency

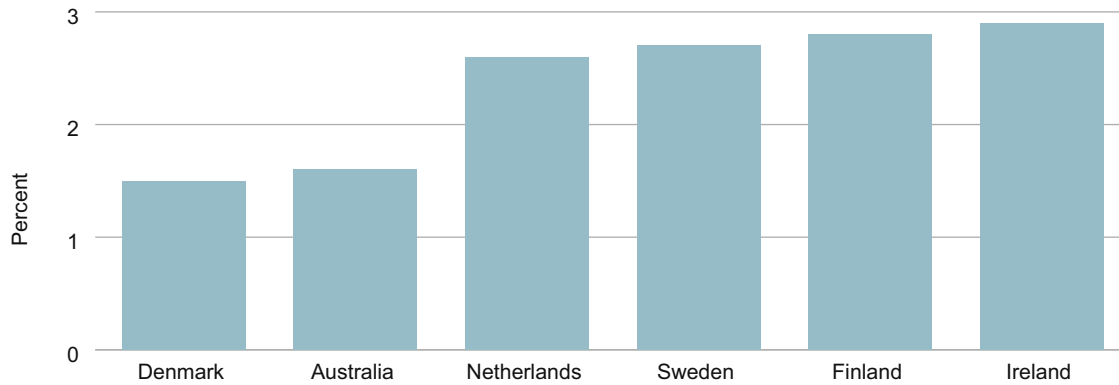


Discussion of current performance

The public service already has a large range of efficiency mechanisms in place (such as the Efficiency Dividend, reviews of lapsing programs, Australian National Audit Office reports and partial supplementation for wage increases). The APS also performs relatively

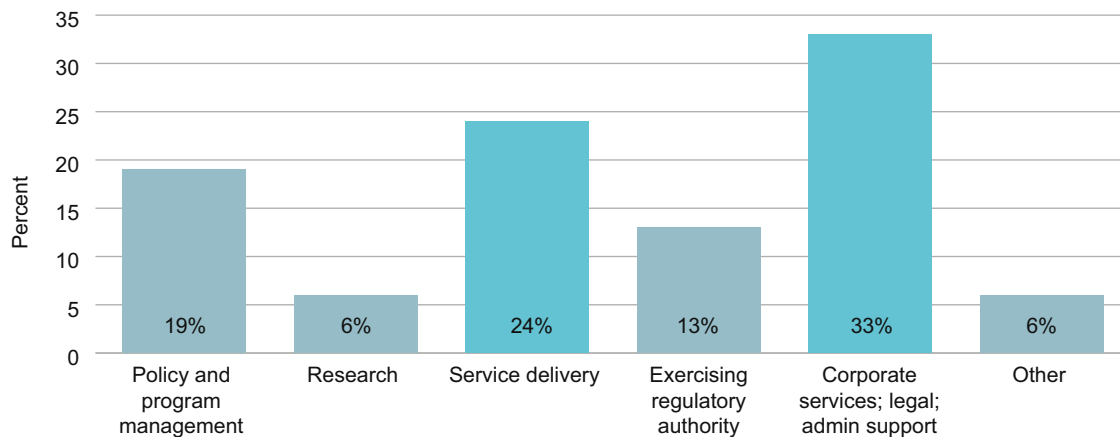
well in international comparisons of efficiency, including in terms of its proportionate demand on the total national workforce (see Figure 8.2).

Figure 8.2 | Employment in central government functions in selected OECD nations¹



However, other comparisons with OECD countries indicate Australia has a relatively high proportion of staff employed in support services as opposed to service delivery or other frontline operations (see Figure 8.3).² This suggests there may be scope for better distribution and organisation of resources within the APS.

Figure 8.3 | Proportion of APS employees across functional responsibilities³



1 Organisation for Economic Cooperation and Development, *OECD Efficiency Study 2009*, Working Party of Senior Budget Officials, Public Governance Committee. The comparison of central government attempts, as far as possible, to compare the same range of functions across countries thus it excludes employment in health, education, armed services, police etc but some differences cannot be controlled e.g. the extent of outsourcing of functions to the private sector.

2 Organisation for Economic Cooperation and Development, *OECD Efficiency Study 2009*, Working Party of Senior Budget Officials, Public Governance Committee

3 Australian Public Service Commission, *State of the Service Report 2007-08*

Barriers to efficiency

Given the considerable size of the public service, there is a natural tendency to assume the APS might achieve efficiency gains by realising economies of scale. However, the devolution of management to agencies as part of the reforms of the 1980s and 1990s has arguably become a barrier to the achievement of these efficiency gains. There has been a proliferation of small public sector agencies, each needing to operate and fund their own support services. There are currently around 50 Australian Government agencies employing fewer than 100 staff each.

Unnecessary red tape in the form of cumbersome regulatory or administrative arrangements is another possible barrier to efficiency, absorbing resources that could otherwise be used more productively. Onerous agency-level process requirements for dealing with underperformance is an example of a particularly tricky form of red tape posing a barrier to efficiency—not only is considerable time and effort required to follow through processes, but they also discourage public service managers from actually addressing some cases of underperformance. A lack of appropriate training and management skills may be another factor.

In relation to budget processes, there is a contestable view that the lack of a systematic examination of base spending impedes further opportunities for achieving savings. Currently, savings tend to be achieved through one-off processes, often focused on trimming new policy proposals or identifying specific programs or services that could be subject to significant savings. Some processes are more structured—including the budget process, Cabinet committees and the Expenditure Review Taskforce—but these may not provide government with a sharp enough strategic instrument to undertake the significant task of achieving the extensive efficiency gains needed in coming years.

Possible reform directions

There are a range of reforms already under way focused on achieving greater efficiency in different aspects of government operations. The Department of Finance and Deregulation, for example, has recently introduced a number of measures to help realise economies of scale in relation to travel and property. An OECD efficiency study involving Australia (due for release by mid-2010) is expected to contain a variety of reform options around shared services. A 2007 Management Advisory Committee (MAC) report, *Reducing Red Tape in the Australian Public Service*, contained a recommendation for periodic cost-benefit reviews of regulation and administrative arrangements based on the report's findings that significant savings could be made.

Some of the recommendations from the MAC report have not been systematically implemented and could be revisited to ensure potential gains based on the report's findings are achieved. Although other approaches could be contemplated, a strong starting point could be each APS agency undertaking regular systematic reviews of all their regulatory and administrative requirements.

In relation to the proliferation of very small public sector agencies, each operating and funding their own support services, there may be some scope to rationalise and amalgamate their number or absorb support functions into larger portfolio agencies. The larger portfolio agencies might provide the necessary support services more efficiently and at a lower overall cost.

With regard to the need to ensure the APS can deploy and redeploy resources across all operations towards higher priorities, this may require new approaches to addressing baseline spending—either systematically or in certain priority areas. Government would need to be convinced this would deliver savings that outweigh the process costs associated with such reviews.

With any efficiency reforms, however, a key concern that may need to be addressed is the degree to which the reforms impact on an agency's capability to deliver ongoing efficiency dividends while funding other anticipated cost increases.

Questions for discussion

- How can Australian Government policy departments improve their own efficiency?
- How can Australian Government service delivery agencies improve their own efficiency?
- What mechanisms should be used to systematically improve efficiency across the public service as a whole?
- What skills and capabilities are needed to drive efficiency throughout public sector organisations?

The Advisory Group welcomes your views on the issues and reform directions highlighted and explored in this paper. Submissions can contain general views on the matters raised, directly respond to the questions posed at the end of each chapter or suggest new ideas altogether. We welcome, in particular, specific propositions for practical reforms that could enhance our public service. A consolidated set of the questions is below. The intended purpose of these questions—and this paper—is to open this discussion to all relevant stakeholders and interested parties in order to ensure this reform process is as inclusive and well informed as possible.

Consolidated set of questions for discussion

Chapter 1 The Australian Government sector today

1. Do you think Chapter 1 accurately captures the role of the Australian Public Service?
2. What are the implications of the statistical snapshot, and of employee views and attitudes in Chapter 1 for the future of the APS?

Chapter 2 Challenges in the strategic environment

3. What are the most important challenges facing the public sector over the next ten years?
4. What are the key implications for how the public sector will need to operate?

Chapter 3 An aspiration for Australia's public service

5. What do you think is an appropriate aspiration for the Australian Public Service?
6. Do the five key characteristics outlined in Chapter 3 adequately encapsulate what you would expect from a high performing public service?

Chapter 4 A values driven culture that retains public trust

7. Should the APS Values be streamlined? What values do you consider should be included in a revised set of APS values?
8. How do we ensure that APS leaders fulfil their responsibilities to promote and uphold the values?
9. Do you think the APS engages appropriately and actively with government on an apolitical basis?
10. Are further reforms needed to clarify the roles and responsibilities of the APS when dealing with ministerial offices?

Chapter 5 High quality, forward looking and creative policy advice

11. How can internal and external collaboration be strengthened to improve policy development and implementation?
12. What should be done to continuously improve the capability of the APS workforce in policy formulation and implementation?
13. What can be done to bring the workforce development approach of the APS up to the level of the best organisations globally?
14. How do you think a stronger culture of innovation can be fostered?
15. What approaches to engaging with risk are most appropriate for the APS to provide high quality, forward looking and creative policy advice?
16. How can agency performance management processes be amended to maximise the focus on the attainment of outcomes?

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

17. How do we embed a citizen centred philosophy in all aspects of program and service design and delivery?
18. How can we better bring together service design, delivery and policy formulation processes—within individual programs and across all of government?
19. What options could be pursued to ensure citizens, especially those with higher needs, can access government information and services that they need?
20. How can we ensure performance management frameworks focus on the attainment of outcomes for citizens?

Chapter 7 Flexibility and agility

21. What is the optimal rate of mobility between APS agencies and other parts of the labour market? What could the APS do to encourage and support greater mobility?
22. What practical mechanisms could be used to foster a more unified public service culture?
23. How could recruitment practices be enhanced within Australian Government entities? What are the strengths of current recruitment processes?
24. What are your top three ideas to encourage the pursuit of continuous improvement across the public service?

Chapter 8 Efficiency in all aspects of government operations

25. How can Australian Government policy departments improve their own efficiency?
26. How can Australian Government service delivery agencies improve their own efficiency?
27. What mechanisms should be used to systematically improve efficiency across the public service as a whole?
28. What skills and capabilities are required to drive efficiency throughout public sector organisations?

How to make a submission

The email and postal addresses to send submissions to can be found at www.pmc.gov.au/ReformGovernment, along with guidelines for submissions.

Submissions are due no later than 30 November 2009, although earlier submissions are encouraged.

These submissions will inform the blueprint for reform, which will be presented to the Government in early 2010.