

Institute of Public Administration
Australia (ACT Division)

**Lessons from 50 Years of Public
Administration**

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Lessons From 50 Years of Public Administration

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I am sorry to have to tell you that, while this was intended to be a panel session, you are now going to have to listen to a monologue from me.

My instructions from Jenny Kelly were to provide something that was ‘short and sharp’, as I would not have too much time in which to speak as a panel member. Given that there are no other panel members, I have assumed – with the permission of the Chair (Pam O’Neill) – that I can take up the time of the other panellists.

It would be rather pretentious of me to think that I could solely identify important lessons from the last 50 years of public administration at the Commonwealth Government level, and particularly in a short time frame. However, we have already heard the group of distinguished commentators this afternoon refer to a number of lessons learnt over the last 50 years. If I were to be ‘short and sharp’ in my comments, the lessons identified could be described as policy and administration or management flip-flops accompanied by a degree of re-balancing. Tony Blunn noted that ‘what comes round goes round’. An example is information technology, or information communications and technology (as I prefer to describe that input) outsourcing. Earlier speakers agreed that ICT has made a fundamental change, not just to how we do things, but also to what we actually do.

My other succinct comment could have been an observation that, depending on whom we asked, the answer to the implicit question as to what we have learnt might be “not much”. As well, some might say life is more interesting now but not as much fun. That would not be a comment that Dr Peter Shergold would want to share. Nor would I.

DIFFERENT PERSPECTIVES

Such observations reflect my initial thoughts about this session as I became more conscious that my views would be expressed from my position at the senior levels of the Australian Public Service (APS). They certainly would not be the same perceptions that I had as a junior public servant, nor, I suspect, from the perspective of local and regional offices. The views might also be different for people in large organisations such as Defence, Centrelink and the Australian Taxation Office, and in smaller offices such as the Australian Mint. They may also vary with the nature of the organisation be it an agency, an authority, a government business enterprise or a government company.

We need to be careful in discussing a topic of this nature within the Canberra division of IPAA that we are conscious of the fact we are often seen to be reflective of a centralist viewpoint which may not indicate the views of public servants outside Canberra. Indeed, we have been very aware of such criticism and have genuinely endeavoured to ensure that not only do we have a good understanding of the perceptions of public servants throughout the Commonwealth, but also reflect those perceptions as best we can through, for example, the Canberra Bulletin of Public

Administration. That said, the organisers did expect that I would have some views about lessons learnt that I would be willing to share with you. And I do.

What we do know is that we are working in a much different and more complex environment today than in years gone past. In that sense, we are not talking about the same context or approaches being taken. Nevertheless, we can learn from our experiences, both good and bad. One lesson that seems to be accepted is that sound administrative practices are not the be all and end all, but they are an integral part of our overall performance and results. In many cases, there is a recognition that our staff are quite capable of understanding this fact. That brings me to the major point I wanted to make in this session which is the importance of our people. I would like to think that this is a major lesson that we have learnt in all the reform movements that many of us have been part of, particularly in the last 20 years.

OUR PEOPLE AND VALUES

Most public sector managers recognise that our people now have much higher expectations for themselves and their work environment. It can also be said that the general public also has much higher expectations of public administration and a greater willingness to exert their individual and collective rights, for example, to information, service and privacy. I applaud the initiatives that have been taken by Andrew Podger and the Public Service Commission to promote the public service Values and Code of Conduct embedded in the *Public Service Act 1999* (PS Act). These are essential to maintain the credibility and reputation of the Public Service at a time when there is a degree of cynicism and distrust in the general public as a result of well-publicised failures and poor decision-making in both the public and private sectors, nationally and internationally.

I personally think there is much more that we can do in relation to the personal development of our people, both in terms of their skills and experience, and in achieving a better balance between their work and home lives. These were also issues that were canvassed by previous speakers. If I may get into a little detail for a minute, we can do more to ensure that there are regular discussions and reviews not just of the individual's performance, but also of their confidence and state of well-being and expectations. We need to deal sensitively but effectively with under-performance. As well, we need to ensure that there are adequate opportunities for both in-house and external training, as well as on-the-job experience. We need to do more to provide suitable recognition and rewards on a regular basis. It would also be helpful for the individuals and their organisations if they were to take their leave in a timely fashion both for good management and personal well-being reasons.

We also need to ensure that our people have a good understanding of the 'business' that we are in, including the legislative environment, the organisation's governance framework, particularly its strategic direction, risk management approaches, control systems and performance requirements, and the ways in which the organisation relates to its various stakeholders. We need to make 'seamless' delivery of services a reality as well as engendering an appreciation of what good customer service entails. We have learnt from private sector experience, and our own initiatives, such as those taken by Sue Vardon in Centrelink.

Indeed, our experience over many years now indicates that we cannot take public service values, personal commitment and development, knowledge and understanding of our business, what we are meant to achieve, who is accountable for what, effective dealing with our clients/the general public (citizens), and the importance of our basic information and other record-keeping and processing systems, for granted. Yet we often do. The foregoing imperatives are likely to be of even greater importance if Government and the Parliament move to greater citizen participation, as is evident in Canada. This leads me to a related more inclusive approach for better performing government.

WHOLE-OF-GOVERNMENT APPROACH

While we have had a number of examples of whole-of-government approaches over the decades, we now see the Prime Minister in particular and the Government in general indicating the increasing need for joint operations with other levels of government, cross-agencies and with the private sector (both profit and not for profit). This is in some contrast to the reforms from the early 1980s which, through the devolution of authority and the lessening of central agency involvement and oversight in relation to line agencies, encouraged a stronger silo type administrative approach, which took me back to the 1950s and 1960s.

I can vividly recall, in the various departments and agencies I worked in across that period, the many people who had never worked in any other organisation and who had hardly, if ever, spoken to anyone in any other department or agency. This was more so in the old Postmaster General's Department as discussed earlier by Andrew Podger, and in other large organisations such as the Australian Taxation Office and the then Social Security and former Works Departments, as well as in the various Defence groups. I can also vividly recall the strong administrative oversight by the then Treasury and the Public Service Board, notably in financial and personnel matters.

The main issue is how to make whole-of-government initiatives work in practice. With the devolution of authority, which was reinforced by the *Financial Management and Accountability Act 1997*, the focus was much more on individual responsibility and accountability. Complementary to this was the more transparent performance measurement and management that went with clear identification of outputs, in particular, and outcomes in general. The experience and effectiveness in these respects was mixed. The public sector has always recognised that the derivation of simple and understandable performance indicators, or measures, is a difficult exercise. This view is shared by most, if not all, public sectors around the world. Nevertheless, we have learnt a lot about performance measurement and management over the last two decades in particular. We need to be more effective in putting this learning into practice in the future in order to be credible with our major stakeholders.

I have discussed, on many occasions, the central issue of how best to manage and account for whole-of-government arrangements. This is not the place, nor do I have the time necessary, to go through all the arguments. Simply put, my suggestion for effective management and oversight of such arrangements is to use the better practice governance framework for the shared outputs and outcomes as well as for the provision of the outputs by the individual organisations across the Commonwealth

Government and/or across levels of government. There are alternative structural ways in which this can be achieved.

The major objective is to ensure that there is clear responsibility and accountability for the results achieved from the whole-of-government arrangements, as well as for those of the individual contributors. Some see this duality as being difficult to achieve in practice. However, I simply note that the British Prime Minister has required departmental and agency heads' performance to be assessed both on their individual organisation's results, as well as on those where there are joint, collaborative or shared arrangements.

WORKING WITH THE PRIVATE SECTOR

The situation in relation to the private sector might be said to be somewhat more complicated. It is certainly more risky. While it can be argued that the principles and general practices of good governance are similar for both sectors, there are different pressures. In my view, the major difference is that the public sector is largely about the big "P" politics. An important element of the political environment is the need for transparency particularly in relation to the differences between public and private interest. We have learnt a lot from the various outsourcing initiatives and our consideration of public/private partnerships including the private finance initiative. Again, this is not the place nor is there time to be discussing this quite complex issue.

Nevertheless, there are some things we have learnt. First, we understand the reality of so-called globalisation. We also understand for a small and geographically isolated country such as Australia, that we need to be internationally competitive. Increasingly, our benchmarks of performance are international, not local or national. We need all sectors of the economy to be efficient and effective. Our environment is more complex and demanding greater skills. It is therefore not surprising that the public sector should be looking increasingly to the private sector, both as a supplier and a provider, but also as a partner in the delivery of government services. As well, this has beneficial effects for the private sector, particularly where scale economies and skill enhancement are important. I do not think there is any doubt we have learnt a lot from outsourcing and so-called purchaser-provider arrangements. Examples are project management, negotiation and contract management skills, and an appreciation of commercial realities.

We need to engage the private sector in 'genuine' partnering arrangements where both parties are fully aware of what each other is bringing to the partnership, their respective responsibilities and performance requirements, accompanied by regular monitoring and review, to ensure that all these aspects are adequately covered and in place. The latter would facilitate any necessary renegotiation to ensure more effective arrangements are made as early as necessary. We have learnt that 'partnerships' require constant attention and that there is often a need for regular renegotiation and agreement of most elements of the partnership, particularly risk allocation, to ensure its on-going effectiveness.

A HIGHLY PERFORMING PUBLIC SERVICE

As part of globalisation, the APS has come to appreciate that the service is an important element of the international public sector. We have been recognised as a high quality public service with ideas, initiatives and better practice that have been adapted, or adopted, in many other countries including international organisations such as the World Bank and the International Monetary Fund. For those of us in this audience who have had the opportunity to travel throughout Australia and overseas, this recognition has been constantly reinforced. And this is not confined to the public sector. There are many examples where public sector practice and the individuals concerned are recognised as being as good as, or better than, those in the private sector. There is no need for any cultural crawl in respect of either our expertise or what we produce, nor indeed about how we go about our business.

CONCLUDING COMMENTS

While recognising our comparative good performance, we also have to understand that we are working in a different and more demanding public service at all levels. We need to be more strategic in our approaches; take a more positive attitude to risk management; and effectively use the management flexibilities that have been provided through the various reforms. Leadership and tone at the top are essential. As I noted earlier, our people have higher expectations, a need for greater skills, and achieving a better balance between work and home life. We need to have the demonstrated commitment to quality service delivery to our clients or customers that will earn credibility and respect with the general public. Importantly, that must also fully reflect the exercise of the public sector Values and Code of Conduct enshrined in the PS Act.

Again, in my view, we can say to our people that you can have a career in the APS, but you may well have a more satisfying working life by having a variety of experiences in both the public and private sectors, including in other countries or international organisations. We have a proud tradition that has been greatly enhanced in the last 50 years by people such as those in this audience today. We are a learning public service, as we have demonstrated particularly over the last 20 years. We know we are in a different and more demanding environment. We also know that we have a lot to contribute to that environment.

We need to convey the messages of confidence and commitment to all our people, including our other stakeholders, notably the Government and the Parliament. We can build on the lessons learnt over the last 50 years based on a professional, thoughtful, and dedicated approach to public administration over that period. We are also much more aware that we will be assessed on our performance. One challenge is to provide a credible and transparent framework by which that can be fairly judged. Another is to make change work for us and ensure that our people are the contributors and beneficiaries, not the victims, of the inevitable structural, functional and other changes the APS will face in the next 50 years.