
ANZSOG Submission Senate Finance and Public Administration Legislation Committee

August 2023

Introduction

The Australia and New Zealand School of Government (ANZSOG) welcomes the opportunity to make a submission to the Committee in support of reforms contained in the Public Service Amendment Bill.

The recent release of the Royal Commission Report into the Robodebt Scheme, a number of corruption referrals to the National Anti-Corruption Commission in its first few weeks, and multiple state-based anti-corruption investigations and reports that have taken place over the last two years, all give us pause for thought and reflection on how public servants can do better for the Australian public.

To ensure public servants can deliver public value and contribute to the improved social and economic outcomes for communities, the Australian Public Service (APS) needs to be a contemporary and trusted institution. It must operate, and be seen to operate, with integrity at all times.

It is in this context that ANZSOG advocates for the reforms in this Bill to be supported. Treated as a package of actions, ANZSOG considers the amendments promote stewardship as both a value and as a practice. The proposed reforms address behaviours, capability and incentives as mutually reinforcing factors needed to systematically support the development of a pro-integrity institution.

Item 2: Proposed introduction of a new APS Value of stewardship

There has been significant debate about the addition of stewardship as a value to the Commonwealth *Public Service Act 1999*.

ANZSOG supports the inclusion of stewardship as a value, with a more expansive understanding of stewardship than explanation below as currently included in the Bill:

‘the APS builds capability and institutional knowledge, and supports the public interest now and into the future by understanding the long-term impacts of what it does.’

Similar to the approach taken in the Thodey Review¹, ANZSOG advocates for a broader understanding of stewardship in the APS. We see it as being understood as a responsibility for the information, assets, processes, and legislation that make up Australia’s system of government and the people it serves now and into the future. Stewardship, together with the existing APS values should enable the APS to be a more responsible custodian of Australia’s system of government and practice. It should enhance the APS’ ability to serve successive governments, provide service continuity for citizens and maintain the expertise needed to anticipate and address future challenges.

Seen in this way, stewardship provides a frame to all APS staff, not just a cohort of leaders, to aspire to leaving the APS in a better place than they found it. To ensure the value goes beyond rhetoric to practice, it must also be integrated into to all APS activities and processes from procurement to policy development, from implementation to workforce management and administrative decision making.

Stewardship and First Nations peoples

The introduction of stewardship as a value offers the APS an opportunity to draw on Aboriginal and Torres Strait Islander governance as the first form of governance in Australia, and among the world’s oldest continuing legal models.

Through ANZSOG’s submission to the *Independent Review of the APS*, Aurora Milroy, Palyku woman and former ANZSOG First Peoples Programs and Strategy Adviser, explained that Indigenous governance is

¹ Department of Prime Minister and Cabinet, *Our Public Service, Our Future: Independent Review of the Australian Public Service* (Thodey Review), 92.

rooted in a distinct worldview and ways of working.² This includes a commitment to collective responsibility and stewardship. This way of working is inherently relational and centres on a notion of a duty to care. Milroy writes that it involves “talking to people, testing ideas, ringing up our mates to link us up with the right people for the job ... developing a consensus, thinking through consequences ... All this work is needed to steward decisions in the right direction”.³

First Nations understanding of stewardship is instructive and relevant for the APS, as an institution with an important role to play in supporting the government of the day in serving First Nations communities.⁴

Enabling the APS to acknowledge, navigate and reconcile its colonial past as an institution would be an important part of Australia’s broader journey towards truth and reconciliation. An APS that acts as a good steward commits to enduring rather than transactional relationships and recognises First Nations people as knowledge holders and innovators, embedding this knowledge and perspective across APS practice.

Stewardship of the APS workforce

Stewardship of the APS workforce involves protecting and enhancing the capacity, capabilities and operating environment necessary for the APS to deliver positive social and economic outcomes for all Australians. Investment in core public sector skills and knowledge is critical to maintaining high performance across the APS. This aligns with ANZSOG’s long-term commitment to research and education that responds to the unique roles and responsibilities of the public sector.⁵

Effective stewardship of the APS workforce requires being forward-thinking and attuned to emerging trends and able to anticipate future public policy and administration challenges and opportunities. This requires APS leaders to plan for likely future capacity and capability needs, and make proactive investments to this end.

Item 8: Capability Reviews

ANZSOG supports the regular use of capability reviews as one element of a public service systemwide capability development approach. The ultimate objective of a capability review program should be to improve outcomes for citizens through continuous improvement of the performance of major public agencies.

With a history of use across similar public and civil service jurisdictions, ANZSOG research⁶ supports a capability review framework that comprises:

1. Capability reviews being used to assess future departmental workplace, system and institutional demands and development needs, rather than performance audits or assessments. Performance and accountability mechanisms exist in parallel as part of a system of departmental monitoring and oversight.
2. Independent external review, optimally undertaken by largely independent three-person panels from different backgrounds to promote robustness, credibility and a complementary range of expertise. Self-assessment is an important preparation stage for the external review. We support the current APS practice of appointing to a panel an existing APS Deputy Secretary from an agency outside the review agency, as this embeds capability and insight into the APS senior executive cohort.
3. A standing capability with the Australian Public Sector Commission to support standards and consistency in reviews. Resourcing will impact how many reviews can be completed in a year, and how long they will take. Based on practice, allowing between 3-6 months to complete a capability review seems realistic.
4. A rating scale, applied consistently, to provide transparency and comparability across agencies, as well as a benchmark for future development.
5. Publication of results, following moderation, to support the credibility of findings and to support transparency and comparability.

ANZSOG notes that in Aotearoa New Zealand, capability reviews have grown to enjoy bi-partisan support as they have evolved from a diagnostic tool to a mechanism that helps senior leaders understand issues facing

² <https://anzsog.edu.au/news/bringing-indigenous-values-into-aps/>

³ <https://anzsog.edu.au/news/a-first-peoples-approach-to-public-policy-the-lesson-of-the-black-swan/>

⁴ <https://anzsog.edu.au/news/bringing-indigenous-values-into-aps/>

⁵ ANZSOG Submission to Senate Committee Inquiry on the Current Capability of the Australian Public Service (2021)

⁶ Donald Speagle, Shaun Goldfinch, and Rory Dufficy, *Developing Agency Capability: A New Agency Capability Review Framework*, ANZSOG Research Insights (No. 18, 2021). <http://anzsog.edu.au/app/uploads/2022/06/ANZSOG-Occasional-Paper-Developing-Agency-Cap-FinalPDF.pdf>

the country and what an agency needs to do to address them⁷. The inclusion of capability reviews in legislation could help achieve similar results, by encouraging planning for reviews, and a consistent and transparent assessment approach, regardless of the government of the day. However, review measures should not be fixed in legislation, to accommodate developments and improvements in review methods.

It will be important that the government of day provides the necessary support, incentives and authorising environment to departments to implement capability review action plans. If an objective of reforms is to give departments the capability to undertake its role with effectiveness and efficiency, there needs to be follow through to reward investing in a capability review and developing a related action plan. ANZSOG acknowledges that the primary focus of a capability review should not be on the adequacy or otherwise of an agency's funding base to undertake its functions. The focus should instead be on an agency's capability strengths and gaps, including the optimisation of its current resourcing across its functions.

Item 10: Long-term Insights Reports

The credibility and perceived success of the APS relies in part on its capability to foresee and anticipate strategic policy challenges. ANZSOG supports amendments to require regular long-term insight reports as a systematic and regularised way to build cross-department and cross-discipline networks, develop frameworks for building foresight into practice, and be proactive in using data-driven insights.

The increasing complexity and contestability of advice to government means that the APS is only one source of advice to governments seeking to shape their environment and meet citizen needs. While there is a current move away from the significant levels of use of consulting firms to provide governments with policy insight, ANZSOG notes that robust policy capacity and capability takes time to develop, and regular practice to maintain and improve. Like stewardship, long-term insight and strategic and research capability must be invested in and embedded within the public sector workforce.

Foresight capability can be characterised as “the systematic, intelligence-gathering, vision-building process that helps us manage uncertainty by discerning plausible alternative futures and applying the insights to present-day planning.”⁸ In addition to helping governments identify emerging challenges and opportunities, insight can also be “used to stress test or future-proof policy responses” and inform proactive “advice that spans election cycles and the priorities of governments of the day”.⁹

The public sector will need appropriate and adequate resourcing and expertise to allow the government to realise the benefits of long-term insights briefings.

Under the Aotearoa New Zealand *Public Service Act 2020*, government departments are required to produce long-term insights briefings at least once every three years. These are prepared for the Aotearoa New Zealand Parliament, rather than the Secretaries Board as is proposed in Australia. The implementation of this reform in Aotearoa New Zealand has not been entirely straightforward: just as the Thodey Review found in Australia, the experience in Aotearoa New Zealand has been shaped by a “dearth of foresight capability”, and the model of having departments prepare these independently has worked against the outcome of “collective whole-of-government analysis... to draw out key trends or drivers of change.”¹⁰

Item 12: Employee census – results and action plans

ANZSOG supports the requirement for agencies to publish their APS Employee Census results and action plans. The Census is an important annual means to collect confidential information about APS staff attitudes and experience. The Census can provide an insight into department culture, and can provide a safe way for staff to raise concerns about ethical and integrity matters. ANZSOG has a clear view that the prospect of independent scrutiny of organisational and manager behaviour, including via a robust and transparent staff survey process, changes behaviour for the better.

⁷ Sally Washington and Subho Banerjee, *Building Policy Capability: Insights from a Curated Conversation Between Education Departments from Three Jurisdictions*, ANZSOG Research Insights (No. 21, 2022).

⁸ Bart Édes, (2021), *Learning from Tomorrow: Using Strategic Foresight to Prepare for the Next Big Disruption*. Resetting our Future, Vol.8. London: John Hunt Publishing

⁹ <https://anzsog.edu.au/news/taking-care-of-tomorrow-today-why-foresight-is-an-important-government-capability/>

¹⁰ Sally Washington, “Taking Care of Tomorrow Today – New Zealand’s Long-Term Insights Briefings”, *Apolitical*, 10 March 2023. <https://apolitical.co/solution-articles/en/taking-care-of-tomorrow-today-new-zealands-long-term-insights-briefings>

On this basis, we would encourage as little use as possible of the APS Commissioner's powers to:

1. exempt and Agency Head from publishing their census results or action plan; or
2. authorise the removal of material.

In the interests of transparency, we would encourage the Commissioner to publish information relating to:

1. the number of exemptions granted each year and to which Agencies; and
2. the number of authorisations to remove material; and
3. the number and names of Agencies that have not published an action plan within 6 months of receipt of results.

ANZSOG would welcome the opportunity to discuss these matters in more detail with the Committee.