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## Submission to Senate Finance and Public Administration Legislation Committee on the Public Service Amendment Bill 2023

Submission by: *UNSW Public Partnerships and Impact Hub (PPIH)*

### General remarks

The *Public Service Amendment Bill 2023* (the Bill) is an important pillar in the Federal Government's Australian Public Service (APS) reform agenda. This agenda spans the principles of integrity, people-centric policy, building capability and the APS as a model employer. One of the features of the Bill is adding a new APS Value of 'Stewardship'. Due to the academic and public sector expertise on stewardship within the UNSW PPIH, this is the focus of this submission.

This submission argues that stewardship is a contested concept with a broad range of typologies, used and applied differently across Westminster nations. So far, discussion of the term in relation to the Bill has not matched the ambition of the APS reform agenda. Post Robo-debt, there is risk that the concept will only be applied in terms of future crisis or scandal mitigation.

Instead, we propose that a positive and expansive approach can be achieved through more work to tighten operational definitions, to explore the potential of different typologies and to develop practical principles, as well as identify how to monitor, measure and track this value.

The submission makes the following recommendations to support this work.

### Recommendations

1. *That a clear operational definition of stewardship and supporting guidance be developed by the APS to inform its future reform work.*
  2. *That this work be supported by a consideration of the broad and significant volume of academic literature on stewardship typologies and their application, including systems stewardship.*
  3. *That the work is further supported by examining evidence on the enablers and barriers to operationalising stewardship from other Westminster systems.*
  4. *That the APS reform agenda pays particular attention to measures for supporting departmental secretaries and APS leaders to interpret, apply, monitor and report the value across all levels of each department or agency.*
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## **Stewardship is a contested definition with a wide range of typologies.**

*“For the moment, stewardship is an inkblot—depending on who’s speaking, it could be a colloquial way of indicating overall responsibility; a ‘light-touch’, portfolio-specific set of measures that facilitate a market; a strategic, cross-portfolio application of policies and regulations with new functions and bodies established as required; or just a shorthand buzzword for ‘what governments usually do’. So, defining stewardship for the Australian context is important.” (Hamilton, 2016).*

There is little literature supporting a consistent definition of stewardship in a broad public sector or public administration context, or for its efficacy as a guiding principle in that setting (Simpkins et al., 2021). The typologies of stewardship are also broad and range from an instrumentalist ability to manage public funds effectively, to cultures within organisations that prevent policy failure, and to long-term insights to prepare for turbulent policy futures. Some posit that stewardship is the sole responsibility of political leaders, while others argue public sector stewardship should provide stability and support for political leaders amongst 24-hour media cycles and populist pressures.

In the Australian public sector context, the term stewardship is often used specifically in discrete policy domains (such as environment, health, habitat management), in technical areas (library or information stewardship, data stewardship, regulatory stewardship) or as market stewardship. Indigenous stewardship of land and culture, indigenous approaches to evidence (Althaus, 2020) and indigenous personalised approaches to public administration (Althaus, 2022) are also critical areas of developing practice that provide relevant insight into the possibilities for stewardship in the APS. A recent broad examination of the contribution that Indigenous evidence and knowledge can make to public administration (in the fields of engagement, sustainability, and policy innovation) identifies many features of indigenous approaches that exemplify stewardship. These include bringing a long-term focus and recognising the many community, family and other systems in which individuals interact (Althaus, 2022).

The existence of such a range of typologies and interpretations of the term stewardship makes clear drafting of both the Value and supporting operational guidance critical for its effectiveness. Hence, we recommend that a clear operational definition of stewardship and supporting guidance be developed by the APS to inform its future reform work.

### **International examples and experiences**

Stewardship, or at least what we think of as stewardship today, is not a new concept for the Australian Public Service. In 1904, the first Commissioner, Duncan McLachlan said in his report to Parliament (required under section 11 of the Commonwealth Public Service Act 1902) that the proper use of resources is a core principle of public service. In the same report he wrote there is a duty upon all officers to innovate by being ever on the alert to suggest new ideas, new procedures, economic methods and useful reforms of any kind. It is perhaps not surprising to find that stewardship has some resonance within Westminster nations.

However, there is also international variation in the use of the term stewardship as a value and/or principle in countries with similar political systems to Australia. From an initial review by our team,

there are a range of approaches to stewardship in the public sector in similar systems. In the UK there has been some work considering how the concept might be useful for the public sector in managing policy systems (Hallsworth, 2011) and more broadly as a form of constitutional stewardship (Oliver, 2017). More recently, the UK House of Commons Administration Strategy 2023-27 (House of Commons, 2023) identified stewardship of data and information as a priority to build trust and confidence. The Scottish Government has articulated stewardship as a value for parliament. It describes stewardship as focusing on the longer term to ensure parliament leaves things better than they found them and putting shared interests ahead of any individual or team. Wales has also considered the concept of stewardship to address procurement challenges across government (Tizard and Mathias, 2019).

In New Zealand and Canada, the public sector has articulated stewardship as a value. Canada describes stewardship as being entrusted to use and care for public resources responsibly, for both the short term and long term. This is achieved by effectively and efficiently using public money, property and resources, considering the present and long-term effects actions on people and the environment and acquiring, preserving and sharing knowledge and information.

In New Zealand, stewardship embraces the notion of 'duty of care'. Its *Public Service Act 2020* provides Public Service Principles at Section 12. These principles include stewardship and the expectations: (e) to proactively promote stewardship of the public service, including of—

- (i) its long-term capability and its people; and
- (ii) its institutional knowledge and information; and
- (iii) its systems and processes; and
- (iv) its assets; and
- (v) the legislation administered by agencies.

The New Zealand Department of Prime Minister and Cabinet (New Zealand Department of Prime Minister and Cabinet, 2022) describes stewardship as providing advice that supports the long-term interests of the public, that is, advice that considers future trends, challenges, opportunities, scenarios and assumptions. While still a relatively narrow perspective, this adds the notion of long-term insights to prepare policies and capabilities for potential turbulent futures.

Based on the above review, we suggest that the experiences of other similar countries and Westminster systems in implementation stewardship as a value or principle would be valuable for Australia to consider at depth and recommend a deeper consideration of experience, evidence and literature on this topic.

### **The debate around the definition of stewardship for the Bill is not as ambitious as the APS reform agenda**

Some public policy scholars and much of the extant literature relevant to public sector-wide stewardship discuss stewardship through a narrow management and leadership lens with a focus on a leader's role in system's management. Although this approach may be due to the complexity and challenges in translating this concept into practice, in doing so, it limits the notion of stewardship to politicians and senior APS leaders.

The APS public consultation around the value of stewardship pursued a broader application of stewardship for all APS employees and is summarised in the joint PM&C-APSC submission on this Bill. It included the notions of good record keeping, knowledge sharing, frank advice, supporting staff and lasting systems. It is this consultation that forms the basis of the definition in the Bill. This reflects, however, a narrower conception of stewardship amongst Australian public servants (than the full range of stewardship perspectives and the ambition of the reform agenda).

Moving forward, there is also a risk that the purpose of stewardship will be seen in narrow terms. Within most Australian responses to stewardship, there is an implied tension between being responsive to the partisan interest of political leaders and a public servant's duty to serve the public interest. This is borne out by an important risk that Robo-debt presents to the stewardship context. Namely, in response to this significant public scandal, the pressure on APS leaders may be to treat stewardship primarily as a tool of risk and crisis mitigation. Should this occur and be prominent, it will result in the term being narrowed and confined to avoiding failure, rather than in positive terms, that is, contributing to greater public value. That said, some APS leaders have added that in the wake of Robo-debt that they hoped stewardship would permeate through all levels of the service and strike at the heart of the 'one APS' philosophy (Coade, 2023).

### **A positive view means every public servant is a steward of public sector institutions**

As part of a wider public sector reform agenda, the Bill is proposing a positive view of stewardship as a *value for all staff, at all levels* in the APS. This aligns with the existing APS Values which the Act prescribes must be upheld by APS employees at all times (subsection 11(a)) and upheld and promoted by all Agency Heads (subsection 12). Service-wide stewardship is quantitatively different to leadership stewardship and this presents the challenge of crafting a definition of stewardship that reflects the possibilities for all staff to act as stewards.

From this viewpoint, stewardship is not an elite and remote concept; it is one for all public servants to understand and bring to life every day. While stewardship is a primary responsibility of the most senior political and public service leaders, it is a mistake to say it rests with them. Every public servant, by every act, whether deciding who to consult when developing a policy, how to implement a new program, or when responding to a citizen's query, is performing a stewardship role for enduring public service institutions. Like any other senior executive duty, it must be cascaded through performance expectations to those in all roles. In its most basic expression, stewardship is realised as visible recurring displays of attitudes and actions. We should aim to ensure every public servant knows and is held to account for the way they affect the performance and sustainability of efficient, effective and ethical public administration.

Hence, for us, stewardship represents a positive intent to align policy and legislative purpose with user and lived experience. Central to this approach is the notion that people need to be at the core of all APS thinking, design and activity. It means that positive stewardship seeks out greater public value for more people by partnering and consulting with them. We suggest that this will become increasingly important in the context of:

- Calls for greater citizen engagement from 'community mandate' MPs in parliament;
- Evidence of a more assertive citizenry post-COVID19;
- Culturally different knowledge and engagement requirements post the potential Indigenous Voice to parliament.

Each of these can be understood in terms of a positive perspective on stewardship as a value, which in turn can support new participatory, inclusion and partnership practices for the APS.

**A system stewardship approach would focus on people and building public trust.**

Falls in public trust can be the result of prominent policy failures. The greater challenge for trust, however, arises from failing to deliver on political promises. In this respect, the influence of different levels of public servants on stewarding the work of the public service may be seen to be limited. In the words of the Productivity Commission:

*“Governments retain ultimate responsibility for the effectiveness of [human] services, regardless of the arrangements under which they are provided” (Productivity Commission, 2017, 80).*

The seminal UK Institute for Government (2011) report on system stewardship, however, points to a useful role for public servants in stewarding at all levels, defining stewardship as the confidence to lead a system that you do not control, to steer towards desired outcomes, deliver for people’s needs, and provide for adaptive leadership and learning.

A recent ANZSOG webinar (ANZSOG, 2021) on the topic of system stewardship for government acknowledged that system stewardship remains a “slippery” concept but discussed systems stewardship in terms of leadership, connections, trust and relationships. Participants saw systems stewardship as creating a government role as an interface between systems and between the systems and the public. One of the stewardship tasks was identified as to remove barriers so that actors from multiple systems can work together on the ground, establishing accountability for learning and improving public services. This highlights important features of system stewardship such as needing to understand how multiple systems and actors interact to define and resolve public policy problems. It also highlights how resolution must be anchored in long-term sustainability and outcomes, outside of short-term political interests.

System stewardship also focuses on drawing on feedback loops between the public sector and the public and it is at this point that all staff can see their role in contributing to stewardship. Most citizens do not speak directly to members of the SES, they speak to people on the phones in Services Australia, or tax officials, and therefore the way these front-line public servants bring the values of public service to life has a cumulative impact on trust and confidence in our public services. Arguably, a positive experience, such as being treated respectfully and helpfully by a border official when arriving back in Australia after a long flight has a more lasting impact on positive views of public services than discussion of who was responsible for that service.

We recommend, therefore, the inclusion of system stewardship perspectives in the ongoing public sector reform agenda. Such recommendations align with the current reform agenda to put people at the centre of all the APS does.

## **Insights about the operationalising stewardship from Canada**

One recent study in Canada examined the experience of executives working to a principle of stewardship in the public sector (Simpkins et al., 2021). Participants identified barriers to, and facilitators of, stewardship in their experience. Although the findings of this study are qualified by the study parameters, they still hold important points for consideration. The barriers to being a steward included:

1. *Rigidity of Work Processes and Practices*
  - *Organizational rigidity*
  - *Issues with the promotion system*
  - *Lack of support for risk-taking*
  - *Lack of resources*
  - *Focus on output over employee well-being*
2. *Competitive Environment*
  - *a Competition at senior levels*
  - *Territorial over work/expertise*

Enablers were identified as:

1. *Empowering Work Practices*
  - *Clear objectives*
  - *Clear significance*
  - *Clear roles and accountabilities*
  - *Transformational leadership*
  - *Recognition*
2. *Fostering Interdepartmental Coherence and Collaboration*
  - *Establishing common ground*
  - *Being open to different perspectives*
3. *Fostering Interpersonal Connections and Networks*
  - *Integrating different perspectives and ideas*
  - *Encouraging formal networks*
  - *Building personal relationships*

These findings highlight that the conditions for effective realisation of a stewardship value require the encouragement of different behaviours, the development of a stewardship culture and a collective or inclusive approach. Ultimately, to be a consistently and reliably implemented value, stewardship must be underpinned by systems, principles and processes that provide public servants with the conditions in which to act accordingly. This work leads to our recommendation that the Bill be supported with further evidence on the enablers and barriers to operationalising stewardship from other Westminster systems.

Hence, we recommend that sufficient time is spent on scoping and drafting staff guidance and scenario building for the operationalisation of the value through a comprehensive consideration of

the existing evidence and literature. We note that the scope and application of APS Values may also be determined in Directions issued by the Commissioner under section 11 of the Public Service Act. We also recommend that the APS reform agenda pays particular attention to supporting departmental secretaries and APS leaders to develop a positive interpretation and application of stewardship and lead the work to be undertaken in each department and agency to identify the stewardship role within their own work context.

### **Practical challenges for stewardship in APS settings**

We note a challenge arising from some commentators identifying stewardship as a principle and not a value. It is not our intention to engage in definitional debates, but, rather, to provide a pragmatic response based on the intent of the APS reform agenda to make stewardship an APS Value. We see principles as the means by which values are enacted. Hence, the different principles of stewardship will apply both to Stewardship as a Value, but due to the complex and integrated nature of public sector work, they will be relevant across all the Values. Hence, in our view, the development of practical principles in support of stewardship is important work.

The proposed meaning of stewardship to be included in the Act is ‘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.’ Although this articulation identifies key elements such as building capability and knowledge, locating public interest as a central consideration and a focus on long term outcomes as an antidote to short-termism, it simultaneously fails to draw on other key elements of stewardship used in other jurisdictions that can support a stronger APS and have value for all staff. These include working openly, collaboratively and inclusively and achieving ongoing improvement of the sector through review, evaluation and learning. Exploring these additional elements would offer greater insight for APS employees into how they might contribute to this value and avoid the concept of stewardship being understood only in terms of risk mitigation.

A second challenge arises from the articulation of stewardship as a Value. Stewardship in the public sector inherently implies balancing the imperatives of public interest with political objectives and short- and long-term outcomes. To avoid the value of stewardship becoming aspirational only, it must be underpinned by systems and processes that support public servants at all levels to act consistently and within their authority. This would include a clear articulation of what stewardship looks like in different roles and in every-day work and the instalment of mechanisms to guide good stewardship such as, for example, decision-making and impact testing processes. Stewardship examples may include opportunities that arise in deciding who to consult when developing a policy, how to implement a new program, or when responding to a citizen’s query. Like other public sector expectations, the practical character of the contribution will vary in performance expectations at each level. In this context there is also a need to address how public servants manage the competing needs of long-term public interest and serving short-term elected governments.

Thirdly, the Bill identifies the need for principles and descriptors so all individuals can see how their behaviours contribute to stewardship. In a practical sense, this means directing recruitment, performance management and development programs in ways that encourage public servants to see stewardship at the heart of their role at every level. It should be a regular topic of discussion at



team meetings and central to reward and recognition programs. Equally, those who do not routinely act as stewards, should be systematically challenged. This raises questions about how to appropriately monitor, measure and track stewardship within departments and across the service, while doing this in a way that encourages maturity and growth (rather than stasis and compliance). This also raises questions of how APS leaders are held accountable for system and organisational stewardship, as well as its increased maturity.

On the basis of the points made here, we recommend that the APS reform agenda pays particular attention to measures for supporting departmental secretaries and APS leaders to interpret, apply, monitor and report the value across all levels of each department or agency. In particular, we recommend a review of stewardship enablers and what works, barriers and how they have been overcome in other several countries with similar political systems to Australia.

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### **Appendix: UNSW PPIH includes specialists in applied stewardship**

The UNSW Public Partnerships and Impact Hub (PPIH) is a gateway for the public sector and other partners to UNSW's extensive network of experts in a range of domains including public administration, public management, public policy, leadership and education.

The Hub works closely, flexibly and collaboratively with public sector and non-government clients to deliver a range of tailored research, design, problem solving and services that build capability to support better governance and public administration. At the core of all PPIH activities is a commitment to co-design to ensure that the Hub's products are fit-for-purpose.

While the Hub is comprised of experts in public policy, social policy and public service research, it is also part of international and national networks of academics and highly experienced industry and public sector leaders. These relationships support the Hub to connect their clients to the best minds and educators available in the areas of policy, public management and public administration.