

## IPAA Submission to the Senate Finance and Public Administration References Committee

### Background

The Institute of Public Administration Australia (IPAA) is supportive of the direction charted by the Blueprint for the Reform of Australian Government Administration. The nine umbrella reforms recommended by the review and accepted by the Government are, in our view, appropriately focussed on measures to ensure more effective and coordinated service delivery across the Australian public service.

Some of these reforms have their genesis in approaches currently implemented or being adopted by public sector agencies. Others require new approaches, organisational arrangements or legislation to provide for their implementation. Combined, they seek to position the APS to provide outcomes of the highest quality for the Australian public and to address the challenges Australia faces today and tomorrow.

Against this background, the following comments are provided against the topics mentioned in the Committee's terms of reference.

#### (a) Implementation of recommendations contained in the review

The report sets out an ambitious agenda and a series of mutually reinforcing steps to be taken. Responsibilities for overseeing the implementation of the reforms have been allocated to a number of key stakeholder groups including the Secretaries Board, APS200 and lead agencies.

Given the scale of the tasks, discipline will be required to ensure the intended results are delivered. In this context, it will be important for the wider APS to understand the reasons for the reforms – the narrative – and be involved in, and take ownership of, the reforms so that the approaches envisaged are adopted as part of the APS culture. It will also be important that these reforms be placed in the context of a continuum of the ongoing changes over recent years and decades.

While actions to make the reforms happen have been flagged in the report and broad responsibilities have been allocated, it is to be expected more detailed plans will be developed and specific roles allocated. In many respects the approach adopted in the report may be described as 'emergent', relying very heavily on post-review developments and implementation. This is not a criticism, but an important understanding of the approach being taken which underlines the criticality of the implementation task.

IPAA sees benefit in progress against the various reforms being evaluated, particularly within the first few years of the implementation period. This could be done at a global level or in a phased manner to address the individual 'signature' reforms or their core components. The benefit of such an approach would be not only to provide feedback on areas where greater emphasis may be required, but assist in reinforcing the reforms as part of the wider APS culture.

IPAA has already hosted a Roundtable of invited experts to discuss the report. The Roundtable focused very much on implementation with the objective of identifying actions that might maximise the potential for successful reform. A summary of the Roundtable, to be published in *Public Administration Today* is at Attachment D.

## (b) Possible amendments to the *Public Service Act 1999*

In its submission to the review, IPAA recommended, inter alia, the following changes which either require legislative amendment or may be implemented via legislation:

- (a) the APS Values should be reformulated – briefer, more succinct and confirming the role of the APS in responsible government (p.9)
- (b) Statements of values for other Commonwealth Government sectors and agencies should be developed or revised, based on the APS Values statement, but reflecting any significantly different role. Unless there is strong reason for not doing so, agencies should be brought within the umbrella of the Public Service Act (p.9)
- (c) the Public Service Commissioner, the professional head of the APS, having joint responsibility for making recommendations to the Prime Minister concerning appointments of portfolio secretaries (p.26)
- (d) the Public Service Commissioner should be appointed for terms of five years (p.28)

The review specifically agreed with (a) and (c) above. Comments on each of the above proposals follow.

### Values

A key feature of the 1999 Public Service Act is a statement of Values set down in section 10. These encapsulate the fundamental role of the APS in Australia's system of government. The Values are supported by a Code of Conduct and are thereby enforceable by various means. Promotion of an understanding of the values is an explicit responsibility of the Public Service Commissioner and also departmental secretaries, agency heads and the senior executive service.

Although there has been debate about the utility of a statement of values, there is little to be gained in reopening it. The APS has long had 'values' such as impartiality, merit, probity, equity and accountability. Existence of a formal statement has proven expedient from time to time; and there have been cases where officials have found them of substantial assistance in guiding conduct in complex situations.

There would, by contrast, be unambiguous advantage in a markedly more concise statement based on pre-eminent themes concerning the distinctive role and responsibility of the APS. After examination of various statements of values used in other Australian jurisdictions and by some other national public services, and the efforts of the Australian Public Service Commission (APSC) to explain and promote the values, IPAA suggests that a simpler recapitulation be considered:

*Public Servants must prize their integrity and accountability; integrity in the way they do things and accountability for the results they achieve.*

*The Australian Public Service is:*

- *professional and non-partisan, and openly accountable to the Parliament within the framework of Ministerial responsibility;*
- *responsible for providing the Government and Ministers with frank, fearless, comprehensive and timely advice, and for implementing policies expeditiously, efficiently, equitable, and economically;*

- *staffed according to merit and equal opportunity, free from discrimination;*
- *impartial in all its interactions with the Australian public, delivering services fairly, effectively and courteously;*
- *honest and professional, with the highest ethical standards.*

This articulation of Values:

- (a) says upfront that public servants have a duty to both act ethically (a behavioural trait) and to be accountable for their performance (deliver results);
- (b) establishes that the right means (high integrity) and the right ends (good performance) are the two foundations that underpin professional values;
- (c) define the precise personal behaviours and administrative results that can be expected of a professional public service; and
- (d) distils values to two pillars – integrity (in the way things are done) and accountability (for the outcomes achieved) – that can be easily communicated and understood.

The last point is important because if a values statement is too long and does not touch on both means and ends it's unlikely to be remembered let alone change individual and collective behaviour, which should be the primary purpose of the exercise.

There are many implicit values in the above list even though not mentioned. 'Leadership', for example, is not mentioned, partly because it is, in an ordinary sense, an inherent feature of a quality public service, something to be valued rather than a 'value' as such. 'Non-partisan' is suggested rather than 'apolitical', recognising that the APS cannot divorce itself from politics and must be politically aware, but it must be able to serve loyally whichever party is in government.

It also reflects the grouping used by the APSC successfully since 2002 to highlight the unique roles of the APS in its relations with the Government and the Parliament (the first two points in the above formulation), its relations with the public (the third point), its own workplace relations (the fourth point), and its members' personal behaviour (the final point).

IPAA is conscious that the formulation now contained in the legislation was the result of considerable discussion between the then Government and then Opposition and thus has the great advantage of bipartisan support in the Parliament. Any new articulation will likewise require support across the political spectrum, reinforcing the non-partisan role of the APS in serving governments irrespective of their party political complexion.

An important advantage in a statutory statement of values is that it furnishes an authoritative basis for consideration of the principles governing a public service. It will be amplified by agency statements, codes of conduct and guidelines. This should be borne in mind in dealing with temptations to seek an all-embracing, comprehensive list. All agencies must uphold the values legislated for the APS as a whole, but it might be expected that they will place extra emphasis in their training and other promotion activities on those that have the most immediate relevance to their particular work (Centrelink for example on the suggested value concerning relations with the public, and Treasury on the suggested values concerning relations with the government and parliament).

Finally, it is important to emphasise that regardless of the legislative articulation of the Values, the workplace reality has to match the rhetoric if disaffection and retention challenges are to be avoided.



### Statements of values for other Commonwealth Government sectors

IPAA encourages the Government, and when the opportunity allows, the Parliament, to press agencies and organisations not staffed under the Public Service Act to apply the APS articulation of values, unless there are clear reasons for doing otherwise. For example in commercial operations “delivering services fairly”, to the extent that means cross-subsidising clients or undercharging them the true economic cost of services, would be contrary to their commercial charters. Nevertheless, even for such entities the other values related to integrity and accountability for performance should still apply.

An example of an articulation adapted to particular distinctive circumstances is the statement to be found in the Parliamentary Service Act. Staffs of Members of Parliament, by contrast, are not expected to be non-partisan so that such a requirement would be out of place in a statement of values for them. In some cases, as has been identified by the Department of Finance and Deregulation and the APSC since the Uhrig Report, agencies now not under the Public Service Act should become so, and be bound by the APS Values.

### Role of Public Service Commissioner in appointments of portfolio secretaries

Appointments (and terminations) of departmental secretaries should be on the basis of a joint report from the Secretary to the Department of the Prime Minister and Cabinet and the Public Service Commissioner after consulting the responsible minister. This would be consistent with the approach recently adopted by the Government to appointments of other agency heads which involve reports from the relevant department secretary and the Public Service Commissioner.

The professional character of the process would also be strengthened by a provision that rejection of a recommendation would be reported to Parliament.

This proposal is based upon several considerations. It is consistent with the non-partisan, impartial and professional character of the APS that appointments to the highest posts should reflect the Values which, by statute, the Service is enjoined to exemplify. The Commissioner, the custodian of those Values, and effectively the professional head of the APS, should be formally part of the process whereby those occupying the chief posts in the Service are chosen.

Such a move would be a public affirmation that merit and open competition, the rule for the APS generally, is as active at the top as it is elsewhere.

Moreover, the Commissioner would bring expertise and knowledge to such appointments. Because of the Commissioner’s role in appointments to and within the Senior Executive Service, the Commissioner has systematic knowledge of the strengths and capacities over a period of time of internal candidates for the highest posts. This knowledge is unmatched anywhere else in the APS.

If, as IPAA favours, secretary and other posts of comparable rank are increasingly filled in a more open manner, the presence of the Commissioner in a formal sense will foster public confidence in the integrity of the process, especially its impartiality and non-partisanship.

Finally, giving the Public Service Commissioner a joint role in secretary appointments will remove questions and doubts about the appropriateness of an arrangement in which one person alone provides advice to the prime minister.

### Term of the Public Service Commissioner

IPAA considers that the present provision in the legislation whereby the Commissioner is appointed 'for a period of up to five years' should be amended. Terms of less than five years erode the institutional integrity of the office and inhibit the longer term perspective necessary. This is particularly so when, as has happened, the Commissioner is appointed for an abbreviated term, the end of which falls at a time when general elections are expected. Such a practice, in relation to this office, compromises the post in meeting its responsibilities to an APS which is, by statute, 'apolitical, performing its functions in an impartial and professional manner'.

### Other matters

In addition to the above matters, it would be expected that the Public Service Act would be amended to reflect the broader role of the Australian Public Service Commission, particularly in relation to its new policy responsibility for agreement making, classification structures, APS pay and employment conditions, work level standards and workplace relations advice.

The review report also proposed that the Department of Prime Minister and Cabinet 'would develop for Government consideration, amendments to the *Public Service Act 1999* to remove references to the Management Advisory Committee and introduce the Secretaries Board and the APS 200'. (page 49 of the review report.)

### **(c) Identification and consideration of related matters not covered by the review**

The critical issues raised by IPAA in its submission have largely been addressed in the Blueprint for Reform.

IPAA is conscious, however, that agencies need to be properly resourced to make the changes expected of them, particularly the investment in the development of their staff. In this context, in its submission to the review, IPAA did recommend that efficiency dividend arrangements should be revised and complemented by selected whole-of-APS management improvement measures which do not undermine individual agencies' effectiveness. (p.30) The Government has agreed to the recommendations in the Report for a review of the efficiency dividend and to introduce 'capability reviews' of agencies. These are positive steps which hopefully will overcome the criticisms that have been made of the efficiency dividend for some time<sup>1</sup>. That said, IPAA has no objection to a requirement that government agencies achieve productivity gains in line with those achieved in the private sector.

### **(d) Any other related matters**

Given the importance of defining APS Values, IPAA sees benefit in the Council for Australian Governments considering the benefits of reviewing value statements in each jurisdiction with a view to achieving greater consistency in statements of public sector values.

There are likely to be longer term benefits in stronger levels of consultation with the states and territories on matters of public administration in the interests of lifting the performance of all public sectors in Australia.

<sup>1</sup> See, for example, IPAA and other submissions to the Joint Committee of Public Accounts and Audit (JCPAA) Inquiry into the Effects of the Ongoing Efficiency Dividend on Smaller Public Sector Agencies.