

ATTACHMENT D

Implementing 'Ahead of the Game'

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In partnership with ANZSOG and the Academy of Social Sciences Australia, IPAA conducted a Roundtable discussion on 18 May 2010 to explore key aspects of the *Ahead of the Game* Report and its proposed reform agenda, now accepted in full by the Government. The Roundtable brought together senior public servants (federal and state), academics, commentators, representatives from the not for profit and private sectors together with the CPSU. It was immediately preceded by a public lecture by the Secretary of the Department of the Prime Minister and Cabinet, Mr Terry Moran, which provided a valuable platform and background for the discussions.

The views expressed at the Roundtable about the Report, the directions proposed and the process undertaken in its development were broad ranging. It was generally recognised that, while the Report sets out an ambitious agenda and a series of mutually reinforcing actions to be taken, the approach can be described as “emergent”, with major components yet to be completed through the work of lead agencies, the Secretaries Board and the APS 200 group.

Those directly involved in the review emphasised their assessment that the APS is ‘not broken’, but that renewed effort is required now and into the future to address weaknesses and to meet new challenges. They also defended the process used by the review, including its tight timeframe, highlighting the benefits of a prompt report and early Government decisions in contrast to the approach of, for example, the Coombs Royal Commission in the 1970s.

While there was debate about this and criticism of the limited analysis in the Report, much of the discussion went to the implementation of the Report: what will need to happen for its objectives to be fully achieved. A number of useful suggestions were made which are the focus of this summary.

The Roundtable did not attempt to deal comprehensively with all aspects of the Report and the points made did not necessarily reflect the views of everyone present.

Next steps: the process for implementation will be critical

A consistent theme in the Roundtable discussions was both the extent of cultural change required to deliver the reforms and the reliance on the SES and APS employees more generally exhibiting wholehearted support for the new directions and taking concerted action to implement the new directions. They will need to be firmly galvanised behind the reforms.

The implementation process should be framed to support this. Engagement with staff will be vital. Mr Moran’s address referred to an intensive process of talking about the reforms with APS employees across the country. Many Roundtable participants felt that the level of SES and employee engagement could be assisted by a stronger sense of the underling or driving narrative behind the reforms. APS employees will need to understand and commit to the objectives and directions set out for them, recognising the relevance and importance to their work and be inspired to do their part in delivering those objectives.

There was wide agreement, however, with the decision to omit from the Report the earlier aspirational statement about becoming ‘the world’s best public service’. The international benchmarking undertaken for the review had previously been widely criticised, and the aspiration lacked any tangible meaning as it omitted any sense of political and social contexts. Nevertheless, in rolling out these reforms a vision should be provided for the APS that provides a source of inspiration and pride in how public servants see themselves and their role. Clear and simple language and an explicit rationale for change are required.

Themes suggested by participants included much greater stress on the role of the APS as an essential element of ‘responsible government’ and as part of broader civil society, working in the public interest in partnership with other sectors. This sense of idealism and contributing to society was seen as important not only to galvanise public servants to get behind the reforms and the directions proposed, but also to support the attraction and retention of staff into the public service, particularly newer generations.

It was also felt that staff commitment was more likely to be achieved by presenting the reforms in the context of the ongoing changes to the public service over recent years and decades. Others also considered that the significant round of changes public servants had witnessed were not sufficiently recognised in the Report and, if not given acknowledgement through the implementation process, would confuse and diminish the reforms as just the latest in a series of changes without a sense of what’s being retained, what’s fundamentally different and why further change is necessary.

One aspect of this is how the overall architecture of the system is to be framed under the new arrangements; i.e. where it fits on the ‘centralised/ devolved’ spectrum. There is likely to be some perception of ‘back to the future’: of the pendulum moving back to a centralised approach. Getting an understanding of what is meant by a “more unified APS” and what this means for leaders within it will be part of the essential glue in making the new approach work.

Engagement of staff will need to go beyond telling them what the reforms are and what they mean in practice for their ways of working. Some of the key elements (eg approaches relating to whole of government and citizen centred service delivery) have been the subject of catch phrases and exhortations for some time, both here and internationally. While the Report details some specific steps to give them substance, whether this happens in a consistent and deep seated way on the ground is very much reliant on APS employees and the SES in particular being truly hooked in and on having the organisational systems and approaches required.

Roundtable participants also pointed to the value of engagement with other stakeholders on how best to achieve the ends spelt out. The importance of ministers’ support was stressed in a number of areas, including the use of shared outcomes, reporting and accountability; focusing on long term policy issues in an evidence based way; and fostering innovation and countering a risk averse orientation. If ministers are not on board with these directions, public servants will find it difficult to work in the ways envisaged. The value of engaging with broader parliamentary stakeholders was also raised, particularly in the context of achieving as much bipartisan support as possible. The bipartisan approach achieved with the 1999 changes to the Public Service Act was highlighted. Similarly, value was seen in engagement with State governments with a view to developing common objectives and ways of working across the public sector as a whole, and to ensuring a deeper understanding of how the reforms will play out at a practical level eg in place management, service delivery and whole of government initiatives.

Citizen centred service delivery

There was strong support for the overall objectives of this key plank of the Report and for the priority it was given. There were also questions about what exactly it meant and should mean in practice. It was noted that considerable work has been left to the Secretaries Board and the APS 200 group. To assist that work, several suggestions were made and issues canvassed.

Partnering arrangements and ensuring responsiveness to the different needs of individuals and communities will require a fundamental shift in the way the APS delivers services, involving:

- a shift toward more local decision making involving a sharing of power, particularly when addressing complex issues of social disadvantage;
- a deep understanding by commissioning public servants of their partner entities (including of the different types of business and not-for-profit entities);
- a preparedness to tackle seriously the problems of red tape and programmatic confetti which cause inefficiencies for non government providers and undermine social innovation through their focus on processes rather than results. This is a problem that has been recognised in a range of reports over recent years and has been the subject of many commitments to address, with little actual improvement. Related to this issue is the need for greater clarity on arrangements for procurement and grants;
- an appreciation of the importance of place management and local delivery; and
- an effective governance model which puts emphasis on defining and agreeing on outcomes.

The scale of the cultural change required may not be sufficiently appreciated across the senior echelons of the public service. The importance of giving authority or 'clout' to front-line staff, and of these staff developing strong relationships with local communities and organisations, was emphasised. Citizens having choice was also mentioned as an important element of a more responsive service delivery system.

While ICT offers major opportunities to be exploited for better and more integrated service delivery, care is needed not to rely on this to the exclusion of rethinking fundamental design issues. In addition, the position of the most vulnerable and disadvantaged needs to be catered for, so their position is not made worse because of a lack of access to ICT.

In relation to the proposed citizen surveys, the need for care was emphasised to ensure that the most vulnerable and disadvantaged are engaged in the process, and that the questions go beyond reactions to individual incidences of service provision to the intersections between services and the overall citizen experience.

Strategic Policy Advising

Roundtable participants supported the Report's focus on strategic policy development and the need for strengthened capability in this area. They also supported the shift in the Report from the earlier discussion paper's proposal for continuing policy hubs to an emphasis on cross-cutting projects together with ongoing portfolio-based policy capacity.

The Roundtable was reminded of work in the 1990s on evaluating policy advising which emphasised the importance of quality inputs and the *process* of policy development, not just the *end product*.

Sound research was seen as critical to effective policy making but the policy/research relationship is often fragile. The extent and strength of cross institution and cross sector linkages were identified as a key predictor of good research and policy development outcomes. The links between academics and practitioners need strengthening through the implementation process.

A range of approaches were canvassed, including:

- workshopping of intractable policy issues involving wide cross sections of stakeholders and academics;
- use of 'knowledge brokers';
- exchanges of public servants into research and not-for-profit bodies to support thinking time and innovation
- interdisciplinary research communities (supported by broader initiatives through ARC and related bodies).

The central role evaluation played in the APS in the early 1990s was seen as needing to be rebuilt, incorporating both independent and in-house activity, with the latter drawing on external sources of advice and information. Doubts were expressed, however, about the utility of the tool kit proposed in the Report. More substantial action is needed to develop strategic policy capability.

Key ingredients of *strategic* policy advising canvassed in the discussions included: adoption of crosscutting and inclusive approaches; being proactive and using environmental scanning to inform forward thinking; strong capacity for systems thinking and for evidence based analysis; applying a longer term perspective while being able to spell out shorter term milestones and issues; access to deep technical expertise; the ability to seize opportunities; a capacity to clearly set out policy purpose and options; knowing when to step up and provide frank and fearless advice, when to back off and when to dig in; and the ability to negotiate and compromise. Organisational support needs to be provided for integration of work done by different policy units, and to ensure innovation and policy research is not crowded out by short term crises and demands from ministers. Political and senior management permission is needed for "over the horizon" work, in line with the stewardship notion outlined in the Report.

Capability building will require a number of strategies and a concerted effort including recruitment, training and development, learning experience and exposure to different perspectives and environments.

Building Human Capital

A number of participants considered the development of people in the APS as the weakest area of APS performance in recent years. Surveys consistently identify negative views by the majority of APS employees about leadership, a risk averse culture that focuses too much on the short-term, boring jobs and not being valued for what they do let alone what they could contribute. There is widespread disenchantment that demands attention including through investment in capability building and talent management.

Accordingly, there was strong support for the emphasis given to human capital in the Report. It was noted that the changes needed would require years of sustained effort not just by the APSC and the leadership

group but by managers across the service who must put more effort into coaching and mentoring and career management, areas that have been largely neglected because of pressures to meet more immediate goals.

In implementing the Report, attention would need to be given to the changing nature of the workplace, particularly with the impact of ICT and an increased focus on community engagement. Demographic change, including generational changes in expectations about the nature of work and the boundary between work and family, also need to be addressed.

Greater consistency in wages and conditions and the renewed focus on a career service proposed in the Report were seen positively by the Roundtable, noting the significant work still to be done in translating this into reality.

While there was broad support for the APSC taking a greater role in this area, particularly with regard to classification and pay across the APS, more work is needed to clarify what should be 'tight' at the centre and what should be 'loose', giving agencies the flexibility to set and manage their own approaches. One suggestion based on UK practice was for the APSC to take responsibility for recruiting high fliers across the APS and overseeing their career development to ensure an ongoing cadre of people who identify themselves strongly with the APS as a whole. Another was for agencies to invest more heavily in HR expertise to support their efforts to build human capital.

The setting of the APS Values and their promotion are central to the concept of a cohesive APS. While there was sympathy for the idea of a simpler formulation of the values, the benefits of a bipartisan approach were also highlighted. It was also noted that evidence from the State of Service Report suggested high levels of familiarity, and that the APSC's grouping of the values according to key relationships and behaviours had proven to be very useful in explaining and promoting them.

The primary concern about the values was not their articulation but their promotion and their genuine reflection in the way agencies and their leaders work and behave. Concerns were expressed about a perceived gap between the stated values and leadership and workplace practices in a number of agencies. More effort is needed in training EL and SES staff about their responsibilities to uphold and promote the values.

The new Secretaries Board and APS 200 will need to play a very significant role in championing the Values and desired leadership culture, involving dedicated time and effort which some might find challenging given the established preoccupation with internal agency priorities.

Governance and Efficiency

In implementing the proposed approaches, participants considered that more attention was required to ensure the support of ministers. Many of the initiatives rely on changes in behaviour by ministers and their advisers, eg to allow for less risk averse and more innovative approaches; focusing on both longer term as well as short term delivery; and taking truly whole of government and collaborative and partnership approaches openly involving non-government groups and organisations.

It was suggested that the directions outlined throughout the Report could best be pursued by action-based learning. Some of the big social and economic issues facing the nation might be addressed as major projects by the public service together with ministers and advisers in a refreshing, new way. The public service could

demonstrate its greater attention towards evidence and the long-term, its interaction with external groups both in policy and implementation, and less risk-averse attitudes, while ministers and advisers demonstrate their permission and even active support, appreciating the distinct roles of politicians and administrators.

In this context, the completion of the Faulkner agenda for improved integrity in government was welcomed. The new role of the Public Service Commissioner in the process of appointing or terminating departmental secretaries complements earlier action on a code of conduct for advisers, merit-based appointment of statutory officers, the regulation of lobbyists and reforms to FOI.

The challenges involved in making these new governance arrangements work in practice were acknowledged, including the fact that some recent developments such as the weakening of Cabinet processes and the centralisation of communications management have been working in the opposite direction.

Several participants also noted that the Report's discussion of governance did not canvass key structural issues such as the role of specialist agencies and the use of purchaser/provider relationships. This seems a little surprising given the emphasis on service delivery and the large proportion of APS employees working in such agencies. The narrowing of MAC membership to portfolio secretaries might suggest a move away from specialist agencies, notwithstanding the establishment of APS 200. It will be important to involve non-departmental agencies closely in deliberations on 'strategic policy advising' and human capital as well as service delivery.

The concept of shared outcomes and reporting was supported, but the difficulty of embedding this in an effective way was stressed: it needs hard-wiring and support from ministers as well as from Parliament more widely. Experience overseas as well as with Senate estimates processes looking at whole of government Indigenous service delivery should be evaluated to identify lessons for the future. A greater focus on outcomes rather than processes was required. Training for new ministers and advisers could also form an important part of the new approaches envisaged for accountability and effectiveness. There was also strong support for engagement with opposition parties and the development of bipartisan approaches to modern accountability arrangements for the APS.

The Roundtable supported the proposed review of the efficiency dividend, noting the concerns raised by IPAA in its submissions to the Review and to the 2008 JCPAA inquiry into the efficiency dividend. The proposed capability reviews were supported as a more targeted approach to identifying potential improvements in efficiency and effectiveness, though they should be kept strategic and high level.

Conclusions

Notwithstanding many differences of view, there was broad support for the general directions set out in the Report, particularly the strengthened role of the APSC and the sense of a more unified and outward-looking public service. The Report addresses many of the problems identified over recent years such as the loss of policy capacity, a degree of politicisation, weaknesses in implementation caused in part by a compliance rather than informed partnership approach, de-skilling after outsourcing and privatisation, insularity and excessive caution. It also attempts to address emerging challenges such as better use of new technology, changes in the workforce and increasing expectations. In doing so, as one participant observed, the Report represents a rediscovery of the craft of activist government in a post-NPM environment which demands increased citizen engagement.

Nonetheless, some gaps and weaknesses were identified and debated:

- whether the Report is excessively centralising or merely pressing for more ‘integration’;
- whether it pays sufficient attention to structures, to complement its focus on people and processes;
- whether it is sufficiently exciting to gain the enthusiastic attention of those across the APS who must follow it through over a number of years;
- whether it has more than a perfunctory nod from ministers and the political arm of government, and whether it can attract bipartisan support and shared responsibility amongst both politicians and administrators for stewardship of the public service.

Implementation will clearly be critical to achieving the Report’s objectives. Some refinement of the recommendations and some complementary action may also be needed to fill the gaps and address the weaknesses which some Roundtable participants identified.