



Building Public Sector Capability for the Future: a view from Australia

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International public administration trends

- Wide influence of New Public Management from 1980s to 2000s
 - ‘Management for results’
 - Emphasis on efficiency
 - Use of market-type mechanisms
 - Devolution of management authority
- Shift towards New Public Governance from 2000s
 - ‘Whole of government’ or ‘horizontal management’
 - Networking beyond government
 - ‘Bottom-up’ as well as ‘top-down’ accountability
 - ‘Citizens-centred services’

- Next trend unclear
 - Perhaps wider variations across nations, related to shifts in global order
 - Concerns about the negative impacts of NPM notwithstanding successes
 - Continuing pressure of new technology for integrated services
 - Public expectations of personalised services and choice
 - Perhaps more ‘decentering’ – more centres of power, more localism
- Civil service implications
 - Public sector *capability* receiving increased attention
 - Partly from concerns that NPM and NPG may have reduced internal capabilities
 - Partly because new skills and capabilities required
 - Civil service *role and values* also receiving attention
 - Debates about whether excessive political control undermining values such as merit-based employment, impartiality, commitment to service
 - *Collaboration* and connectedness continuing to be given emphasis

COVID 19 experience as an indicator?

- Recognition of importance of expertise, particularly within public sector
 - And capacity for rapid evaluation and learning
- Confirmation that ‘horizontal management’, including inter-governmental collaboration, is important
- Recognition that local management is also essential, guided by national policies and supported by national resources
- Importance of new technology in assisting new ways of working, likely to apply widely even when COVID restrictions are lifted

Some Australian developments

- Series of reviews over last decade, including:
 - 2010 Moran Report on Australian Government Administration
 - 2012-2014 (internal) Commonwealth Financial Accountability Review
 - 2019 Thodey Report on the Australian Public Service
- Mixed quality, and some key recommendations not accepted
 - But still influencing significant developments in public sector management and capability



- Financial management developments
 - New *Public Governance, Accountability and Performance Act 2014*
 - Setting principles for governance and accountability across entire Commonwealth public sector
 - Requiring *collaboration* across the national government, and beyond
 - Mandating corporate plans to complement annual performance management, emphasising *capability* for future performance
 - Strengthening performance reporting
 - Promoting more systematic risk management
 - 2018 review of implementation of new Act suggested long way to go
 - Particularly regarding corporate planning, performance reporting and risk management
 - Political factors may also be impeding robust evaluations and reporting of performance (unstated by review, but widely understood)

- Related public service developments
 - 2013 amendments to *Public Service Act 1999*
 - Strengthening the role of the APS Commission
 - Establishment of Secretaries Board responsible for *stewardship* of the APS and for *collaboration* across the APS
 - Making departmental secretaries responsible for *stewardship* of their departments
 - Requiring secretaries and the Senior Executive Service to promote *collaboration*
 - Articulating APS *values* more simply to ensure wider appreciation of APS *role*
 - *Capability* reviews conducted into all departments and major agencies
 - UK methodology used, criteria linked to Leadership, Strategy and Delivery
 - Learning exercises rather than audits, but degree of independence
 - Public reports, frank assessments
 - Some follow-up action overseen by APS Commission
 - But reviews ceased after 2014
 - Political factors still constraining *role* and independence of APS in practice

- Post-Thodey Report developments (since December 2019)
 - Further emphasis on *collaboration*, retreat from devolution
 - Strengthening of the Secretaries Board chaired by Secretary of PM&C
 - Strengthening of APS Commission with some increased funding
 - Expectation of more ‘agile’ operational approach across APS
 - Renewed investment in *capability*
 - APS-wide workforce strategy to be developed by APS Commission
 - ‘Professions Model’ to build APS-wide career paths for common professions including HRM, digital skills, data and statistics, procurement
 - Capability reviews to be re-introduced
 - New investments into IT foreshadowed, starting with major audit of existing IT assets and requirements (Thodey estimates \$100m a year more will be required)
 - Promoting mobility across APS particularly for SES
 - More APS-wide recruitment, including targeted recruitment at middle and senior levels, and induction training



- Further emphasis on *integrated service delivery*
 - Establishment of Services Australia as an executive agency within the Social Services portfolio (replacing the Department of Human Services)
 - ‘Seamless service delivery’ across government including tax, border control
 - Digital Transformation Strategy, building on myGovID, My Health Record, Single Touch Payroll (supporting employees’ superannuation contributions), etc.
- Some important omissions, political agendas
 - Budget controls over the APS not relaxed
 - Staffing limits retained leading to continued emphasis on contracting out
 - No review of pay and conditions to underpin attraction and retention
 - No strengthening of *role* and professional independence of APS (eg re merit-based senior appointments) or review of political adviser arrangements
 - Power of the Prime Minister over both the APS and his ministers effectively strengthened

COVID 19 experience in Australia

- Coordination and collaboration
 - Lead role of ‘National Cabinet’ (heads of national and state/territory govts)
 - Secretaries Board extremely active in coordinating across Commonwealth eg health, border control, welfare support, education measures, stimulus
 - APS Commissioner leading redeployment of APS employees to address pressures eg welfare queues, and advising on APS employees’ rules
- Reliance on public sector experts
 - Chief Medical Officer and state/territory Chief Health Officers advising National Cabinet and first ministers
 - Often addressing media directly, with first ministers standing aside
 - Also public profile of other public sector experts, eg Treasury Secretary

- Use of technology
 - app developed to assist contact tracing (not as successful as hoped)
 - Broadband investment over previous decade proved critical to allowing remote working across the country during restrictions, including within APS
- Results
 - Relative success to date in terms of COVID cases and deaths per capita
 - Some serious mistakes made
 - Poor communications, use of untrained contract staff controlling quarantine, poorly trained aged care staff
 - But lessons seem to have been learned eg re importance of testing and tracing, firmer controls over third party contractors, service providers
 - Economic impact huge, but quick action has protected those worst affected

Final observations

- COVID response is mostly an extreme case of crisis management
 - But some ‘new normals’ may be emerging for public administration
- Three Australian developments have been reinforced
 1. The importance of taking full advantage of *new technology*
 2. Connectedness/integration and *collaboration*
 3. Building and rebuilding *capability* within the public sector
- These still require some balancing
 - Managing the blurred responsibilities involved in collaboration
 - Getting the right mix of internal and contracted expertise
 - Getting the optimal mix of specialist and generalist skills
- Further action needed to strengthen civil service *role* as an institution
 - Partisan politics undermining *values*, impartiality, merit, commitment to service