

50th Garran Oration
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The Future for Public Administration as the Nation Responds to Global Developments and Changing Community Expectations



The Honourable Mr Kevin Rudd MP

I acknowledge the First Australians on whose land we meet, and whose cultures we celebrate as among the oldest continuing cultures in human history.

I thank the Institute of Public Administration for inviting me to deliver the 50th Sir Robert Garran Oration.

The life and work of the first Commonwealth public servant is one of the most remarkable stories in the history of the Australian Public Service.

And profoundly relevant to my subject - the reform of Australian government administration in a time of changing public expectations, changing technology and changing demands.

I am pleased to address this topic at a national conference of the Institute of Public Administration.

For years, the Institute has been a tireless advocate for professional excellence and public sector reform.

I would also like to acknowledge the many state public servants here today - especially those from Queensland.

Although I will focus my remarks on the Australian Public Service, your work in Queensland and other states in partnership with the Commonwealth is a vital part of our COAG reform agenda.

But before I engage in a more detailed discussion of our reform challenges, let me say this.



The Australian public is on the whole well served by honest, capable and highly committed public servants in our government departments and agencies.

You are doing nation-building work, you are doing it well, and I thank you for it.

In September, I announced that the Government would undertake a process of reform of Australian government administration.

I asked the Secretary of the Department of Prime Minister and Cabinet, Terry Moran, to establish an Advisory Group to develop a blueprint that would position our public service to meet the immense challenges of the 21st century.

The Advisory Group will deliver its blueprint early next year.

But ahead of the release of that document I want to talk today about why the Australian Government is undertaking this process of review and reform of the APS.

And I will discuss the main findings of an important report released today that measures the performance of the APS against eight of the best public services in the world.

We are not undertaking this reform process because the APS is serving the government poorly.

On the contrary, many parts of the APS are distinguished by excellence in policy advice and program and service delivery.

Nevertheless, the APS also has some gaps that will constrain its capacity to help the Government meet some of the nation's most difficult challenges in the years ahead.

In particular, the APS needs to do more to ensure that it provides the highest-quality service delivery to Australians.

That it delivers the highest-quality policy advice across the public service.

And that it strengthens the quality of its workforce by attracting and retaining the best employees.

When we think of the highest qualities of public service, we can do no better than to think of Sir Robert Garran.

Sir Robert, we might say, is one of Australia's lesser-known founding fathers.

Yet he deserves a place in our national history as prominent as many of our political leaders at both state and federal level.

His influence on our legal, political and administrative system is incalculable.



As the first Secretary of the Attorney-General's Department, he drafted the legislation that shaped the first Departments and the first administrative arrangements of the Commonwealth.

Bear in mind that the High Court hadn't been established at the time - giving Sir Robert the first crack at interpreting the words of the new Constitution.

He was well qualified to do so, having been the secretary of the committee that drafted the Constitution and the joint author of the only annotated guide to it.

In the early days of the nation in 1901, Sir Robert didn't exactly have legions of public servants at his command.

He not only wrote out with his own hand Commonwealth Gazette No. 1 that proclaimed the establishment of the nation - he took it down to the Government Printer himself.

Truly, Sir Robert gave a whole new meaning to the term, whole-of-government.

For a few days, he was effectively the whole of our government - as Australia's only public servant.

And he held the Secretary's post for 31 years, earning the respect and trust of the 16 governments under which he served.

According to legend, Prime Minister Billy Hughes claimed that the best way to govern Australia was to have Robert Garran at his elbow, with a fountain pen and a blank sheet of paper.

It has even been said that whenever a crisis arose, Hughes could be heard yelling, "Where's Garran?"

Much has been written about Sir Robert's brilliant legal mind, his passion for the Commonwealth, and what former Crown Solicitor Fred Whitlam -- father of Gough -- described as his "serene wholeness".

But it is also striking to see how ahead of his time he was in the causes he championed.

To give one example, decades before the Australian National University came into being, he saw the need to develop top-class education institutions and link them with the public service.

He proposed the establishment of a National University at Canberra that would have expertise in - and I quote:

"Oriental matters, Pacific relations, international relations generally, public administration, and economics".

It is remarkable how closely the final shape of the ANU reflects Sir Robert's early proposal.

Like other ANU graduates, I consider myself a beneficiary of a vision that ultimately became a reality in the post-war era.



And Sir Robert's ideal of an outward-looking, engaged public service committed to the Westminster traditions of impartiality and integrity remains absolutely relevant today.

The task of the contemporary public service is to protect those enduring values, while transforming itself to meet the great challenges of our time.

That sounds as if I am asking the public service to change dramatically - and to stay the same.

And in a way I am.

But it is precisely those institutions that are most confident in their culture and traditions that are most able to embrace change.

I believe the Australian Public Service is such institution.

My confidence in the APS is based on many experiences during the past two years in government, as well as my own previous career experiences in the Federal and state public service.

A year ago, Australia was facing the greatest global economic crisis since the Great Depression.

In the early days of the crisis, advice from the Departments of Treasury and Finance was vital in developing the Nation Building Economic Stimulus plan that helped Australia to avoid recession and keep hundreds of thousands of Australians in work.

That advice was provided quickly, under intense pressure.

It was backed by clear reasoning and empirical analysis.

And once decided, it was implemented without delay.

In just 12 weeks, with the help of the tax agent industry, the Australian Tax Office processed stimulus payments to more than 8.4 million Australians.

Payments delivered on time and on an unprecedented scale. In the nine months since February, Commonwealth, state and territory public servants have approved nearly 50,000 major construction projects.

Half of them have begun and 2,000 are already complete.

Again, work on an unprecedented scale, executed at great speed and with great success.

The contribution of the APS has also gone beyond Australian domestic policy - a senior official in my Department has been instrumental in developing measures now adopted by the G20 on global financial standards.



The performance of the APS during the global financial crisis has been outstanding.

But while this shows that the APS performs well under pressure, crisis is not the everyday experience of government.

Just as important and more common is the day-to-day work of service delivery and the long-term challenge of providing top-quality policy advice.

How well the APS is performing those tasks is what the Advisory Group on APS reform has set out to test.

From its establishment in September, the Advisory Group was clear that the APS should aspire to be the best public service in the world.

This is an entirely appropriate aspiration.

After all, Australians aspire to being the world's best on the sporting field, in the marketplace, in the science and medical laboratory, and on stage and screen.

So too we should aspire to being a world leader in the quality of government - both in delivering government services and developing government policy.

If the public service wants to be the world's best, it must measure itself against the world's best.

This way, it can learn from the best, and become the best that it can be.

That is why the Advisory Group has commissioned a report from KPMG measuring the performance of the APS against eight of the world's best public services.

The report is being released today on the website of the Department of Prime Minister and Cabinet.

It compares the APS to the public services of eight other nations: the United States, Britain, France, Denmark, Canada, the Netherlands, New Zealand and Singapore.

These are public services that consistently score highly in comparative international studies.

All have gone through significant reform in the past decade.

And all are explicitly looking to achieve excellence.

The report uses a variety of international studies, research tools and qualitative data to rate the nine administrations on the basis of six criteria essential to a top-performing public service.

They are:



- a values-driven culture that retains public trust;
- the ability to provide high-quality, forward-looking and creative advice;
- delivery of high-quality programs and services that put the citizen first;
- flexible and agile responses to changing realities and government priorities;
- efficiency and effectiveness in all operations, and
- ability to recruit, develop and retain the best employees.

Of course there are difficulties in making comparisons of such complex concepts, given the different contexts in which each service operates.

Even so, the report provides a valuable perspective on conditions in the Australian Public Service today.

First, there is no doubt that the APS measures up well against the world's leading public services.

Across the nine administrations, the ranking of the APS on different indicators ranged from near the top, to comparable, and to below average.

For example, the APS ranked highly for its independence and values - reflecting such factors as the level of political involvement in public sector appointments and the existence of legislation that clarified the roles of the public service compared to Ministers and advisers.

This supports the findings in the 2008 Institute for Management Development's World Competitiveness Yearbook which ranked Australia behind only Denmark and the Netherlands for its independence and culture of strong professional and ethical values.

The report also ranks the APS as a world leader - behind only Singapore and Denmark -- for its longstanding role in shaping government policies that have responded quickly and skillfully to changes in the economy.

Areas where the performance of the APS is on par with the overall performance of the group of eight public services include:

- its efficiency in delivering outcomes for its size;
- its ability to develop the skills and leadership capabilities of its workforce, and
- its provision of online access to government information.

But there are also some measures where the APS does not perform so strongly.

One such area - as the Advisory Group suspected when it commissioned the report -- is the capacity of the APS to produce informed and forward-looking policy advice.

On one international measure of policy capability in OECD countries - the Sustainable Governance Indicators index, which measures organisational reform capacity of governments - only France ranked lower than Australia among the nine countries in the report.

However, we should note that the data on which Australia was ranked related to the years 2005 to 2007, during the previous Government's time in office.



As the report explains, the creators of the index judged that Australia's ranking was affected by the lack of a Government strategic plan to guide decision-making and insufficient consultation outside government to inform policy formation.

Since that time, there has been a change of government and the Government that I lead has adopted a cross-government strategic planning framework.

The report also found Australia's public service to be less adept than other nations at incorporating non-government expertise and the views of citizens into its policy development and service design process.

This is something that the Government has been addressing since we came to office through measures such as community cabinets, reforms to Freedom of Information laws, the 2020 Summit and the development of a Web 2.0 plan.

The report also finds that more needs to be done to develop an overarching identity and mission to help the APS implement government priorities - in other words, to become a unified public service.

In short, we can take encouragement from this report.

By the highest global standards, the Australian Public Service is independent, professional, ethical and efficient.

But at the same time, its challenge now is to become more strategic and forward-looking, more outward-looking, and more citizen-centered.

To quote the report, the APS has "some way to go if it is to realise its ambition to be best in the world."

The report largely confirmed the initial assessments of the Advisory Group and the Government of the strengths and gaps in the performance of the APS.

The APS needs to improve in three key areas:

- service delivery;
- the development of excellent policy advice, and
- planning to ensure it has the highest-quality workforce to meet the challenges ahead.

As the report notes concerning the APS:

"It must manage high expectations from the public and Government, accommodate a greater role for citizens and users in the design and delivery of services, and adjust its operations to accommodate an ageing workforce and tight fiscal environment."

I think this goes to the heart of what APS reform is all about.



It is about nothing less than the APS responding to fundamental changes in the economic, social, technological and cultural environments in which it operates - fundamental changes that require a redrawing of the relationship between citizens, governments and markets.

David Miliband, the United Kingdom's Foreign Secretary, recently predicted that this century will see three great power shifts - the shift of power from the national to the global level; the shift of power from the West to the East, and the shift of power away from governments towards individual citizens.

The last of these has profound implications for the future of the public service.

It is driven above all by the increased availability, reach and power of information - all of which is putting more power and choice in the hands of individuals.

When computerisation first reached governments in the 1970s and 1980s, there were fears it would create an all-seeing, all-powerful Big Brother state.

There still are risks that government agencies can misuse or mishandle the vast amount of personal information that they now process - a matter that the Government is addressing through the first comprehensive overall of the Privacy Act in more than twenty years.

But the lesson we have all learnt since Internet access became widespread in the 1990s is that information technology is changing the relationship between individuals and the state, in favour of individuals.

Individuals can access information in ways many of us could never have imagined at the beginning of our professional lives.

Consumers can compare prices of hotels in different cities, measure the on-time performance of competing airlines, track the progress of a parcel around the world.

Patients no longer just accept what their doctor tells them - they now go online to learn about their condition and treatment alternatives.

And over time, the Internet is changing the way citizens think about their rights, their responsibilities and their expectations of government.

It is a profoundly democratic force, whether you are in Ireland, India or Iran.

And it is a profoundly democratic force in Australia too, one with major consequences for the operation of government.

The first impact of changing technology and changing expectations is in day to day service delivery - which is the starting point for improving the average Australian family's encounter with government.

The hospital that treats our sick parent.



The school that teaches our child to read.

The education and training system that helps us to make the most of our natural gifts.

The welfare payments that assist us in times of ill fortune or old age.

These services are at the core of what governments do.

Ensuring that they are of the highest quality is essential to achieving this Government's ambition to forge a stronger, fairer nation, equipped to meet the challenges of the future.

After all, we have a lot of skin in the game.

We not only provide substantial funds toward the delivery of state and territory public services, we also directly deliver more than \$4 billion in services every year through a range of agencies.

And we need to know more about how well these services are delivered.

Unlike Canada - which holds a three-yearly national survey of public satisfaction levels with services across three levels of government - we have no measurement across the whole of government of the quality of service delivery.

We know some things, and they are heartening.

In 2007, the Australian Public Service Commission collated the results of client surveys for 18 government agencies, and found that on average 80 per cent of clients were satisfied with the services the agencies provided.

And in a 2008 British study of citizen satisfaction with service delivery across a range of countries, Australia rated highly.

This is a good start.

But there is still a widespread view in the community that government agencies are bureaucratic and unresponsive to individual needs.

And those views reflect real life experiences that many people can remember.

Too many Australians experience dealing with government as cumbersome and time-consuming.

Too many public services are duplicated or otherwise not efficiently delivered.

Too many citizens in remote and regional Australia - and too many citizens with the highest needs - are not getting the services they require.



A poor interaction with a government agency is one of the most frustrating experiences anyone can have.

Because while public sector agencies often describe citizens as "customers", the truth is that they can't just wander down the street and choose to deal with a different government.

And when people are dealing with the government, they are normally dealing with matters that are of great importance to them - like obtaining an age pension, renewing a passport or paying their tax.

At a federal level, Centrelink has shown itself to be a model of a modern, more client-focused arm of government service delivery.

Its network of more than three hundred customer service centres and more than one thousand service delivery points provides a range of services - usually at the one counter.

Similarly, its Mobile Office, formerly known as the Drought Bus, offers access to a range of services to people affected by natural disasters such as drought, flood and fire.

Those services range from financial support to advice on tax, health and even depression and counseling services.

Many people affected by Victoria's devastating Black Saturday bushfires earlier this year have praised Centrelink for its exceptional response to the crisis.

Centrelink worked with the Victorian Government to run ten Community Service Hubs that offered victims rapid access to government services.

When people came in looking for help, they weren't directed to five offices or five different counters.

Instead, public servants sat down with them to find out what they needed.

Only later did the officials sort out how, and through which department, the service would be delivered.

That kind of service makes a real difference in a time of crisis.

To illustrate the importance of what Centrelink did, consider the remarks of one resident of Kinglake, Steve Fleming, on ABC radio earlier this year.

He noted that he'd only ever heard bad things about Centrelink before the fires. But, and I quote:

"The experience we have had here with the Centrelink people has been just marvelous. All the bad experiences I have heard of people having with government institutions has just gone out the window."

Centrelink's response to the bushfires is the sort of integrated approach to service delivery that we need to spread across all government agencies.



The Internet provides a great opportunity to make this happen - but as the Advisory Group report shows, a number of overseas countries are ahead of us.

In the Netherlands the Internet has become so important to service provision that the Government has established an e-Citizen Charter setting out citizens' rights and government responsibilities in online service delivery.

And Denmark has created a citizen web portal that provides a gateway to government services, while also offering e-voting and online discussion forums about government policy.

Citizens find information about services by modeling their personal circumstances against 12 different online "personas" that reflect different life stages and situations.

They can then find and store their personal data relating to government services through a My Page function.

They no longer have to navigate through information on a raft of services administered by a range of different agencies.

And during the portal's first year of operation in 2007, it attracted an average of 80,000 unique users every day - among a population of only 5.5 million people.

The Australian Government has begun to use information as a way to strengthen our relationship with citizens, and to be accountable for the services we provide or support.

Our healthcare reform process is looking at introducing individual e-health records to give patients access to their own medical data and allow them to take charge of their own health management.

Next year, for the first time, we plan to give parents access to information about the literacy and numeracy performance of their children's schools through our My School Website.

Such information will expose strengths and weaknesses in the system, improve parent choice, and drive our policy response.

Transparency will not always be comfortable - but it is essential for accountability and improved outcomes.

In addition, by the end of this year, our Government 2.0 Taskforce will report on how we can use information technology to strengthen the relationship between government and citizen.

That includes ways to give citizens greater access to government information, and to hear their ideas for how government programs and services can be better delivered.

Improved service delivery is just the start of our ambition for APS reform.



The second great challenge is to ensure that the APS produces the innovative and strategic policy advice for the long-term good of the nation.

Since coming to power two years ago, the Government - in partnership with states and territories - has embarked on a highly ambitious national reform agenda.

We have made substantial investments in education and training in order to lift national productivity and give more Australians the chance to make the most of their human potential.

We are introducing reforms in 27 priority areas to lift unnecessary regulation and create a seamless national economy.

We have for the first time provided national leadership in water reform to secure water supplies in both rural and urban areas, in the face of an extended drought and a changing climate.

We are reforming the health and hospital system to give more choice to patients and to meet the needs of an ageing population.

We are establishing a framework through which we will shape our cities so that they remain economically dynamic, environmentally sustainable and socially equitable as our national population grows by 13 million in the next 40 years.

These challenges are highly complex, involving many stakeholders and much disagreement about the best means to address them.

They require partnerships among all tiers of government, and between the public sector, the private sector and community organisations.

They require rigorous analysis of the evidence and careful measurement of outcomes over time.

Australia's future challenges require neither old, bureaucratic, state-centred solutions, on the one hand.

Nor hands-off risk management and contracting out of core government responsibilities on the other.

Instead, they require the highest quality strategic policy advice.

This requires innovation and openness to the best thinking from around the world.

It requires over-the-horizon thinking, so that governments are making responsible policy decisions mindful of their impacts on future generations.

And it requires work on how we design markets in ways that address market failures and address long-term challenges.



For example, our Carbon Pollution Reduction Scheme will for the first time create a carbon price and a carbon market as the centrepiece of Australia's response to climate change.

The Government does not tell businesses and individuals how they should reduce their carbon use through the CPRS.

But it sets the framework of the market - the rules of the game - in which companies and citizens can make their own decisions.

This approach will deliver the lowest cost pathway to reduced carbon pollution.

Similarly, by establishing a price for water, the emerging water market is helping to improve the efficiency of water use in rural Australia, while enabling farmers to cope with a future with less water.

These frameworks are based on social values - that Australia must act to use water more efficiently and cut its carbon emissions over time.

We are a Government that believes in markets - but markets that function in the long-term interests of Australians.

Markets that they create opportunities and choice but also reduce inequality and ensure fairness.

If we help design these markets well, we will strengthen the new relationship between the citizen and the state.

Just as the best service delivery unfailingly puts people first, innovative market design will not only safeguard citizens' rights, it will give them informed choices over how they live their lives.

To embrace such over-the-horizon thinking we need a highly skilled public service.

In essence, we need public servants who possess the finest public service traditions of impartiality and honesty, but who are also open to good ideas about public policy, wherever they come from.

As the benchmarking report shows, the best public services are exploring how to encourage smart, bold thinking - from their own employees and from citizens.

In Denmark, the Mindlab unit brings businesses and citizens together with public servants to find fresh ideas to tackle policy challenges such as integration of immigrants and climate change.

In Singapore, the Enterprise Challenge even provides financial incentives to citizens who come up with innovative ideas for service delivery.

Here, the Advisory Group is considering a similar model in the creation of Strategic Policy Centres.



These centres would free public servants from their daily duties so they could collaborate on ideas with a range of outsiders - including academics, business people and overseas researchers.

Parts of the APS are already collaborating with outside expertise in this way - sometimes by bringing them in on specific projects and inviting them to share their skills.

But the APS will never abandon its mission to invest its own people.

And where we bring in outside expertise, we should always do so with the goal of transferring lasting skills to our own people.

Building the capability of the APS is central to the Government's vision for public service reform.

That is why the Advisory Group has already identified a major investment in education and development of staff as one of its key recommendations for reform.

To put it simply, we want the best people for what I think are some of the best jobs in the country.

And they are designing policies and delivering programs that change the lives of Australians, for the better and for the long-term.

This is the third great challenge the Advisory Group and the benchmarking report have identified.

I have already spoken at greater length about the Government's priorities for the future of the APS workforce, both in my address to the Senior Executive Service last year and the Paterson Oration at the Australian National University in September.

For all that we say about institutions and processes, the public service is no more and no less than its people.

That is why we need the best possible workforce - we need to attract them; we need to invest in them; and we need to retain them.

Over the next 40 years, the ageing of the population will change the APS, as it will change Australia at large.

Even today, nearly a quarter of APS employees are older than 50.

In the next 10 years, nearly three-quarters of Senior Executive Service employees will be eligible for retirement.

Over the coming decade, just as the APS is losing some of its best older staff, it will have to compete within a shrinking pool of younger recruits, relative to the population at large.



An analysis by the OECD in 2007 suggests there is scope to improve the way we respond to the ageing of the public sector workforce across all levels of government - in particular by improving future workforce planning and providing incentives for older employees to stay in work.

The task ahead for the APS is to attract and retain a large share of talented younger employees, while also encouraging its finest older employees to stay on the job.

Addressing these reform challenges will be the job of the Advisory Group.

And I look forward to receiving the Group's recommendations early next year.

The challenges ahead for the Australian Public Service are substantial.

But I have every confidence that the APS has the capacity to meet those future challenges, through the reform process we are now undertaking.

If we still had Sir Robert Garran with us, I think he would understand the fundamental challenge that lies ahead:

To sustain, strengthen and renew the values of impartiality, honesty, candid advice and commitment to excellence that mark the Westminster tradition of public service.

And at the same time, to undertake the changes necessary to be meet the challenges of the future.

The APS has managed such processes of change and reform in the past.

In 1996 a review of the Public Service Act led, among other things, to the replacement of much outdated and cumbersome regulation.

13 years before in 1983, the Hawke Government's White Paper, *Reforming the Australian Public Service*, unleashed a decade of change that profoundly enhanced the efficiency and professionalism of the APS.

In 1976, the Coombs Commission set in train reforms that over time led to a more devolved public service, a more diverse workforce and a stronger focus on service delivery.

In the 1960s, Sir Frederick Wheeler, as head of the Public Service Board, introduced the reforms that led to the hiring of more graduates, women and Indigenous Australians, and in other ways laid the groundwork for the professional public service of today.

All of these changes built on the foundation that Sir Robert had laid in 1901 - in writing out Commonwealth Gazette Number One.

In 2009, we continue building on those strong foundations - with the sure confidence that the Australian Public Service has every chance to become what it rightly aspires to be - the best public service in the world.





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