

Chapter 3. Individual performance management and assessment and 'assumption cultures'

While addressing the National Press Club in 2006 about claims that public servants had been politicised, Peter Shergold did not dispute the nature of their behaviour, only the reasoning behind it:

Public servants, it is suggested, now willingly do what governments require of them because they are politicised. In fact they do it because they remain steadfastly apolitical. They would do it for any government.¹

The question is whether this is the good news or the bad news. For those who question whether public servants may be 'so concerned to serve the government of the day ... that the urge to serve overpower[s] the need to be critical,'² the argument that they would do the same for any government on any day is hardly reassuring. It suggests that 'willingness to perform' is the default position of public servants regardless of what is asked of them.

Individual performance management, performance assessment and performance pay were eminent in the suite of private sector strategies introduced following RCAGA and subsequent public sector reviews as a means of fusing efficiency and responsiveness. The Management Advisory Committee urged the historical inevitability of these developments in its *Performance Management in the Australian Public Service* with the hindsight of 2001:

Through the 1980s a wave of reform in public administration engaged the APS with trends in management thinking, including from the private sector. Significant among these trends was an increasing focus on managing by outcomes and accountability of agencies for improving management and performance. This coincided with a renewed interest in performance management.³

In order to ensure that efficiency gains were diligently pursued, management for improved agency performance was to be reinforced by a second focus on managing individual performance. Between 1992 and 1996 the Labor Government oversaw a highly standardised and centralised approach to performance-based pay, which was limited to the senior executive service and senior officers. Arrangements for merit pay under the Coalition Government elected in 1996 were introduced in conjunction with the first round of agency agreement making conducted under the Workplace Relations Act 1996. These provided for greater experimentation with performance management and compensation processes at the agency level, and included all APS employees.⁴ This focus on individual

performance was to be linked to agency performance by identifying individual performance goals with specified organisational performance outputs and outcomes endorsed by the minister. By the time of Dr Shergold's comment above, most public servants had been advised that their organisation either had or was growing a performance culture, and nearly all agencies had individual performance agreement and assessment systems to help hone the individual and collective willingness of their staff to focus on achieving results agreed with government.⁵

Nevertheless, while performance management itself has been critical to public sector reform, and while individual performance management, assessment and pay followed from it, experience suggests that the latter has not been successful. As will be seen, public servants who have improved their productivity do not rate it at all highly as a factor contributing to that improvement.⁶ A 2004 Audit Report into its operation found that 'that staff do not see the performance management system as a valid tool to gauge their own performance.'⁷ Rates of dissatisfaction with underperformance remain high despite performance management and assessment systems: only 11 per cent of staff responding to the ANAO's audit survey considered that under-performance was effectively managed in their agency; nearly 70 per cent considered that this was not the case.⁸ More importantly, its impact on the agency culture is questionable: the ANAO reported employees' perceptions of 'a substantial gap between the rhetoric and the reality'⁹ in agency systems. The *State of the Service Employee Surveys*, as will be seen, raise issues about the impact of performance assessment and pay regimes on a culture in which employees are able to work together effectively. Most importantly, they also raise questions about their contribution to a culture that upholds the APS Values. In 2005–06, only 37 per cent of staff agreed that, in their experience, the performance pay system in their agency contributed to a workplace culture that upholds the APS Values—and this was the highest percentage ever found by the *Employee Survey*.¹⁰

Individual performance management and assessment in theory

Section 10(1)(k) of the Public Service Act includes a focus on 'achieving results and managing performance' among the APS Values. This is one of the NPM-inspired values. Its purpose is to ensure that, to the extent that this is not already the case, public servants lift their eyes above purely process issues and in so doing find ways of increasing their capacity to deliver on the government's policy objectives. Increases in efficiency and effectiveness are anticipated as a result of operating in a more flexible and less rules-based environment, and as a result of the encouragement to think creatively about changes that might be made to processes in order to deliver agreed outputs more quickly or more comprehensively. Public servants are to set less store by the means and greater

store by the ends. In so doing, agencies are to bear in mind the broader ethical framework established by other APS Values in which they are to operate, and to strike what the then Auditor-General called the 'appropriate balance between conformance and performance.'¹¹

It is important to the overall functioning of the service that when public servants lift their eyes above process issues they see how their work fits into the objectives of the organisation as a whole. In the course of preparing its 2001 guidance on *Performance Management in the Australian Public Service*, the Management Advisory Committee had undertaken interviews with a number of private sector executives '(mostly CEOs)' about their experience with and reflections on performance management. These interviews reinforced its own views, firstly, that private sector CEOs often faced 'the same challenges that their public sector peers face', and secondly, that these challenges included the means of establishing 'a clear "line of sight" between the business plans and corporate strategies and staff performance contracts'.¹² For both private and public sector performance management to work, it was felt that performance management plans should be seen to 'cascade down' from organisational to individual goals in order to establish the link between managing for results and managing individual performance. Experience in the private sector also suggested that individual performance management and assessment would increase efficiency and effectiveness in two ways: firstly, by giving individual public servants a sense of how their work fit in with the whole and, secondly, by giving managers the carrot of performance pay and the stick of under-performance proceedings.¹³

Individual performance management and assessment in practice

Inevitably, performance management through individual performance agreements and assessment became a bureaucratic process. The Minister for Industrial Relations, Peter Reith, had made it clear that the broad role of performance agreements would be to 'strengthen the commitment to achieving the outcomes set by government,' and specified that they were to be mandatory, but not prescriptive.¹⁴ Agencies were permitted to develop their own systems, but these had to operate within both the *Public Service Commissioner's Directions* and the *Policy Parameters for Agreement-making* published by what became the Department of Employment and Workplace Relations (DEWR).¹⁵ The Public Service Commissioner's Directions (Chapter 2.12) require agencies to put in place a fair and open performance management and assessment system that covers all employees; guides salary movement; is linked to organisational and business goals and the maintenance of the APS Values; and provides employees with a clear statement of performance expectations and an opportunity to comment on those expectations. Furthermore, this is to be done in a way that is consistent with 'the APS Value about achieving results and managing performance'. The

DEWR *Policy Parameters* required that salary advancement be guided by performance, and should only occur where an employee's performance had been assessed as effective or better.¹⁶

Linking dollars to performance required the establishment of a rating scale that enabled employees to be graded—usually from 1–4 or 1–5—with each number corresponding to fixed verbal descriptors along the lines of 'unsatisfactory', 'satisfactory', 'fully competent', 'exceeds expectations', and 'outstanding'. Once ratings had been introduced a number of agencies found it desirable to record and adjust their distribution across a normal curve in order to address concerns that those subject to 'hard markers' would be treated fairly *vis à vis* those subject to 'easy markers'. Ratings distributions in their turn highlighted the need in some agencies for a system of review and moderation to change ratings where necessary. 'Because of lack of trust and acceptance and concerns about the rating and moderation processes being used',¹⁷ the Management Advisory Committee recognised the further need for a system of appeals.

The insertion of performance assessment and pay mechanisms into performance management processes affected the relationship between employee and employer. This is considered at greater length in chapter 5, where the psychological contract between employer and employee is discussed in the context of workplace relations. In brief, so far as the carrot element of individual performance management was concerned, the traditional system for rewarding Commonwealth public servants for superior performance lay within a comprehensive system of promotion through the classification system. From the perspective of the individual employee, performance assessment and pay mechanisms meant that what had been a long-term relationship in which employee commitment was exchanged for skills development and career progression—usually over a number of years—was refocused as a short-term, annualised relationship, in which certain behaviours and outputs were to be evaluated, converted into a single number, and exchanged for additional remuneration ('a "tit for tat" mentality').¹⁸ The expectations of the parties and the nature of the underlying relationship were changed as a consequence. Of course individual performance management did not depend on the introduction of performance pay, but the discipline of performance pay did affect the nature of performance management, as the Secretary of the Department of Defence, who supported one but not the other, pointed out:

In general terms, the purpose of pay is to provide fair recompense for work done, and to recruit and retain people. Schemes involving performance bonuses, tying people's pay to individual performance and increasing the proportion of 'pay at risk' are in place or being introduced elsewhere in the public sector. I do not support these sorts of schemes. I believe that 'performance appraisals' linked to pay can lead to distorted

results and raise issues of equity, ratings moderation and forced distributions. I see little evidence of positive effects on motivation or organisational performance. Rather, I believe that performance pay is divisive and undermines relationships between staff. My approach with civilians in Defence is based on building performance through feedback and a developmental focus without scores and ratings.¹⁹

So far as the system of performance pay was concerned, individuals' judgement of their own conduct, and of the public's interest in their conduct, was secondary to the formal judgement of their supervisors translated into a single summary rating. Where those individuals were on individual workplace agreements (AWAs), 'a greater proportion of pay [was] generally based on performance and therefore at risk'.²⁰ Around 95 per cent of formal performance feedback was delivered from direct supervisors²¹ —a trail that led directly back through a Senior Executive Service almost wholly on AWAs to agency heads who were themselves subject to performance assessment by ministers and termination at any time. Reflecting on the implications of these arrangements for the behaviour of secretaries, Andrew Podger has noted that:

My experience as both assessee and adviser to the assessor is that a single measure of performance translated into a bonus will inevitably focus primarily on responsiveness to the government, and be coloured by immediate, media-fuelled issues at the expense of possibly more important factors such as building organisational capacity and developing and implementing reforms of longer term public interest.²²

It lay with secretaries and their senior managers to ensure that if there was an excessive or improper focus by ministers on the services they were to receive from public servants, this was not passed down the line through senior managers to staff. Surveys have established a direct correlation between the confidence of public servants in senior managers and their confidence in their own ability to balance the legislated values of responsiveness, apolitical professionalism, and impartiality.²³ That is at least in part because these senior managers were the people who would determine whether, in their daily conduct, the individual public servants next down the line had been sufficiently responsive to ministers or efficient in managing for results. Some senior managers may have protected their staff; some certainly did not, or did not do so effectively. In 2005, just over half of the respondents to the *State of the Service Employee Survey* (51 per cent) said that their senior managers led by example in ethical behaviour.²⁴ In 2006, the number was 55 per cent.²⁵ These figures are the average across both 'happy' and 'unhappy' agencies, meaning that, in a number of agencies, more than half of all employees surveyed may not have felt that they experienced ethical leadership from senior managers.

As these systems of individual performance assessment and pay were being bedded down, other measures of responsiveness began to be directly included in the agency's measures of its own performance. In addition to instituting internal peer review, a number of secretaries also invited Ministers and their advisers to rate briefs that had been prepared for them by public servants.²⁶ Ratings scales were similar to those developed for performance assessment and pay systems (i.e. a 1–4 or 1–5 scale). By 2004–5, 44 per cent of the 59 agencies providing regular services and advice to ministers reported having a formal rating system to collect ministerial feedback; 22 per cent reported having had a formal requirement that oral feedback be collected from ministers; 27 per cent had a formal requirement that oral feedback be collected from ministerial staff. The *2004–05 State of the Service Report* indicates that, of the 26 agencies that used some sort of formal ratings system to seek formal ministerial feedback, the criteria most likely to be in use were 'quality of material' (used by 88 per cent of agencies) and 'timeliness' (used by 81 per cent).²⁷ Agencies then 'use[d] ratings provided against briefs from their minister's offices to provide an indication of policy-advice performance.'²⁸

According to the *2004–05 State of the Service Report*, most agencies providing regular services to ministers also included target measures of the level and quality of those services in their portfolio budget statements and then reported against them in their annual reports. Examples drawn from agency annual reports in 2002–03 and cited in *Supporting Ministers* include:

- Department of Transport and Regional Services: 98 per cent satisfaction with briefing and Ministerial correspondence relating to outcome 1, and 96 per cent for outcome 2;
- Department of Education, Science and Training: at least 96 per cent of policy advice rated satisfactory or higher on three criteria: presentation, timeliness and quality;
- Department of Agriculture, Fisheries and Forestry: 'the Ministers and Parliamentary Secretary, and their staff, have expressed formally and informally to the Department's Executive their satisfaction with the quality and timeliness of policy advice and programme administration'; and
- Department of Finance and Administration: 98 per cent of Budget advice, Ministerial and briefing documents that were rated were rated satisfactory or above.²⁹

Other agencies disaggregated the data for internal reporting purposes. In every case, it is clear that once formal systems were in place for collecting such data, agencies had a capacity to attribute poor performance to identifiable organisational units where managers would be able to make the connection to returned briefs prepared by individuals within the unit. Briefs prepared by

public servants were 'graded' by the minister or the minister's adviser with feedback provided to officers on the quality of the brief and their briefing performance generally. Some managers ensured the rating system for ministerial briefs became an indicator in their own performance plans.³⁰ Everyone concerned would then be on notice that services to ministers would be scrutinised in individual performance assessment processes.

Both the Public Service Commissioner and the Australian National Audit Office have, in the course of their evaluation work, identified formal ministerial ratings systems as an 'essential element of any strategy to improve service',³¹ useful for honing quality in terms of analytical rigour and accuracy, timeliness, relevance and usefulness, as well as responsiveness to set policy directions. Nevertheless, there are risks in the system to APS policy advising and implementation at an operational level. If even in the case of departmental secretaries 'it was evident that the criterion concerning responsiveness to the government dominated in the final assessment'³² of overall individual performance, how could that assumption not surface further down the line? And if it does, will those further down the line pursue responsiveness to the point where it 'permit[s] partisan decisions or decisions that are not impartial'?³³ Indeed, to some extent public servants are intended to say what ministers are believed to want to hear, if only on the assumption that ministers want advice that is 'responsive to the directions set by government and committed to the effective delivery of policy positions taken by government'.³⁴ From one perspective this is perfectly sensible. The government is the executive of the day and public servants should not waste ministers' time and invite poor ratings with advice that is not government policy or perceived to be more closely aligned with the policies of the Opposition. On the contrary, public servants should school themselves to provide advice that is framed within policy positions already taken by government, and within the language it prefers to use to characterise those positions.

Take the case of the change of government in 1996. When the Howard Government came to power, the public service knew that the new government would not want briefs couched in the language used by the former Keating Government, which the new Prime Minister, John Howard, had identified, repeatedly, as 'political correctness'.³⁵ It was understood that the new government did not want to hear political correctness in any form, including anything that related to uneven playing fields with particular reference to the 'few interest groups' that had, in the Prime Minister's view, diminished 'the power of one mainstream'.³⁶ Indeed, the Howard Government wished to restore the use of 'relevant' descriptors that had been displaced by the politically correct discourse of the Labor Party, which had been characterised as 'the noisy, self-interested clamour of powerful vested interests with scant regard for the

national interest'.³⁷ The Labor Party had, generally speaking, believed the reverse, and its preferred discourse reflected that fact.

From the perspective of the public service, what was clear was that the dominant advisory paradigm had changed; the kinds of things that could be said and the way they could be said had also changed. When, for example, briefings considered the interactions of the parties when establishing terms and conditions of employment, the Government expected the words 'bargaining' and 'negotiation'—which assumed an 'adversarial' relationship and a role for unions—would be replaced with the term 'agreement making', which smoothed over any little differences between the interests of the parties and reinforced the direct relation between employer and employee. In fact, the language of policy and the policy options necessarily 'made sense' of each other. Stewart argues that the use of such exclusive language 'eliminates alternatives even before they are considered ... by forcing policy discourse into a particular frame, which privileges some values over others, and forces participants to 'speak the same language'.³⁸ This is arguably consistent with the Westminster system, which presumes that the policy alternatives and mandates have already been established through the election.

It is also consistent with the Westminster system for ministerial advisers to advise public servants on what to put into briefs. 'It is true,' Dr Shergold advised in 2004, 'that the development of policy advice will be informed and improved by ongoing discussions with political advisers: on occasions they will have a keener sense of the range of issues that need to be addressed.'³⁹ Not only do they have a keen sense of the range of issues that need to be addressed, they also have a keen sense of what the minister may want to hear and/or what they themselves may want the minister to hear. And although advisers are not entitled to instruct public servants as to what policy positions should go into briefs, they can make it uncomfortable for those who do not treat their advice as if it were instruction. Formal ratings systems give advisers the capacity to punish and reward public servants, either directly on the minister's behalf or by advising the minister about the rating deserved by the advice provided. In more extreme cases, such ratings may disguise and reinforce bullying or discrimination by advisers. This is not meant to occur, but that does not mean that it does not.⁴⁰

It is also important to understand that these interactions are ongoing: public servants can expect to have their policy advice 'improved by ongoing discussions with political advisers' time and again, over a period of years. In addition, since much advising work is broken up by subject-matter areas, particular advisers will work repeatedly or continuously with the same public servants (in ways that can over time naturalise party political positions as objective best policy). The same sorts of ongoing relations are also established between public servants. Policy advising involves more than advising government; it also involves

collaboration with other people engaged in the same line of work. Under such circumstances, pressure to behave improperly can be gradually ratcheted up. The Public Service Commissioner has offered a number of examples of how this occurs:

What do you do when another public servant is so gung ho about what they perceive to be the Government's interests and policies that they suggest that you might do something that is quite inappropriate? How do you handle a situation where a colleague goes beyond their apolitical role and doesn't provide Ministers with the advice that they should? What do you do when others are behaving in a way that is inappropriate because they perceive that to be Government policy, even although it isn't?⁴¹

What do you do when those who are doing this are your managers and are responsible for the assessment of your performance? *Supporting Ministers, Upholding the Values* proposes strategies for public servants who find themselves at the wrong end of inappropriate requests from ministers and their advisers, but that advice tends to assume that managers are not themselves part of the problem. Responses to *State of the Service Employee Surveys* noted above suggest that such is not always the case.⁴² This is not to argue that policy advising in the public service as a whole has been forcibly politicised, just that the system itself does not, in its operation, support a balance between managing for results and managing for apolitical professionalism, while public servants are nevertheless required to find one.

Like their policy-advising colleagues, public servants administering programs and delivering services may also experience 'challenges' in handling briefing on the administration of particular grants and the management of particular appointments processes:

What do you do when a ministerial staffer is screaming at you down the phone to recommend a particular project, or when they are adamant that you should recommend funding a project because the Minister 'really wants' to fund it? How do you manage yourself in situations where a staffer insists that the name of someone in particular should be on the list of possibilities for appointment to a board or should be the preferred tenderer in a procurement process? What do you do when they tell you what your advice to the Minister should be and what your advice shouldn't include? And what about being asked to include political material in a departmental submission to a Parliamentary inquiry?⁴³

Characteristically, the advice provided to public servants in response to these questions goes to the quality of individual decision making, rather than to the decision-making framework. The challenges outlined by the Commissioner, however, tend to arise at relatively senior executive levels in agencies whose main work is not policy advising. For the vast majority of public servants exercising regulatory responsibilities or administering programs, responsiveness is not directly linked to interactions with Parliamentarians—especially once the Government put in place a network of Local Liaison Officers to ‘provide faster and more coordinated support for Senators and MPs when constituents raise issues with them concerning any DHS [Department of Human Services] agency’.⁴⁴ Instead, responsiveness is built in through formal performance agreements which establish ‘a clear line of sight’ between the individual public servant and the agency’s goals, as agreed with the portfolio minister, and the payment of employees according to pre-established indicators of efficiency and effectiveness for their contribution to delivering on those goals.

Following the line of sight

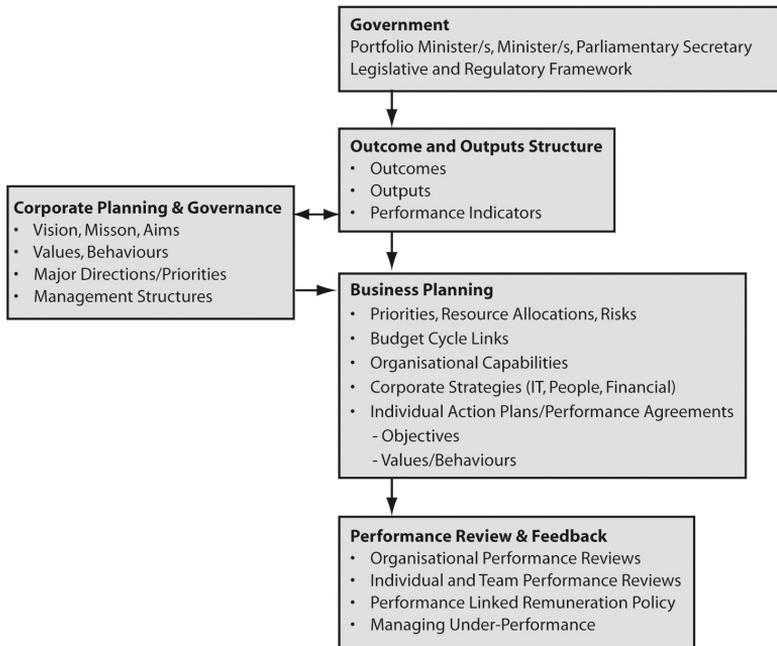
There have always been three critical issues to be addressed in establishing working performance agreement, assessment and pay systems for public servants undertaking day-to-day activities associated with regulatory programs or service delivery. The first is identifying useful performance indicators. The second is applying those indicators in ways that encourage rather than discourage flexibility and initiative. The third and more fundamental problem is establishing a ‘clear line of sight’ between the government’s goals, the agency’s goals, the line area’s goals and the individual’s personal performance agreement and indicators. As Figure 2 suggests, these are meant to cascade, with ‘a focus on managing performance to meet the Government’s required outcomes’.⁴⁵

Maintaining a clear line of sight to ‘government’s required outcomes’ as agreed between the secretary and the minister should in fact have the effect of clarifying those ministerial policy goals that should concern public servants and those political goals that should fall outside individual performance criteria (always assuming the ministers in question are among those who can ‘distinguish between their own political aspirations and the duties of a Secretary’⁴⁶). Staff were to be assisted in making these distinctions by corporate planning and governance statements (set to the side in the Figure 2 but meant to help shape the flow) articulating the APS Values and behaviours desired of them in meeting their performance requirements. Take two such statements from agencies responsible for driving performance as the system was evolving: the Departments of Finance in 2001–02 and Employment and Workplace Relations in 2002–03. (*New Finance Valued Behaviours*, it should be noted, were announced on 1 July 2003 some time after a change of Departmental Secretary following the 2001 election. The *New Finance Valued Behaviours* (Figure 3) were said in the annual report of that

year to 'more closely align Finance values with APS values'. The fact that the APS Values changed following the departure of the secretary—who then moved on to DEWR—is an indication of the importance an agency's senior management can have in the conduct of performance management as plans cascade down to agency employees.)

Figure 2

A Generalised Performance Management Framework



Source: Management Advisory Committee 2001, Performance Management in the Australian Public Service: A Strategic Framework. p. 8.

Figure 3

Vision and values (Finance)

Finance is a forward-looking department that aims for continuous improvement. We are committed to being agile in our approach, open to new learning experiences and willing and prepared to accept challenges. Our vision and our work are underpinned by the Australian Public Service (APS) values contained in the *Public Service Act 1999*, and our four core organisational values:

- **our Ministers are our customers** – they are always our first priority and we aim to exceed their expectations in the services that we provide;
- **performance driven** – we are motivated by a desire to excel; we aim to be the best in our field of providing advice and services to Ministers;
- **responsive, adaptable and open to change** – we are prepared to innovate, create and challenge the status quo;
- **absolute integrity and the highest ethical standards** – we are open and honest in our dealings with one another. We do not cut corners on ethics nor do we compromise our integrity.⁴⁷

DEPARTMENTAL VALUES (DEWR)

The department is committed to building a high performing organisation and places importance on:

- our Ministers as key customers
- serving our key clients on behalf of our Ministers:
 - job seekers
 - Indigenous communities
 - employers and employees
 - high standards of performance and accountability
 - effective people management
 - learning
 - striving to make a difference.

The department's key behaviours stem directly from these values:

Responsiveness

Ethics and integrity

Service to Ministers and clients

Professionalism

Enthusiasm

Creativity

Teamwork.⁴⁸

Even setting aside elements of 'advertising-speak' in the Finance vision statement, it is certainly made clear that, as the Management Advisory Committee advised, 'ministers are the key client'.⁴⁹ Whatever public servants do, it is in the service of the minister-as-client or minister-as-customer—a metaphor that does little to

clarify the special relationship between the administrative and political arms of government that is part of the Westminster tradition.⁵⁰ Ethics and integrity appear to have a role in the conduct of public servants, certainly, but their particular application to ministerial relations is not evident from the documentation provided, apart from what can be inferred from the allusion to the Public Service Act. The overall 'takeaway message' from early corporate guidance of this sort was ambiguous at best, and could prove more likely to encourage than discourage a very broad view of client responsiveness, particularly when supported by individual performance agreements incorporating key performance indicators requiring officers to 'meet their minister's requirements'.

For public servants involved in delivering programs, then, particularly those working outside Canberra (the majority of all public servants), the line of sight was more likely to be directly to those outcome statements directly relevant to their program than to the minister's direct requirements. This also applies to many public servants exercising regulatory oversight, where decision making can involve the exercise of a discretion, as the Public Service Commissioner has argued:

The exercise of regulatory authority has to balance the burdens regulation imposes (taxation, censorship, the denial of liberty, opportunity costs) and the policy outcome sought, and it has to do this within the broader framework of our national institutions. It is one thing to give officials the authority to make decisions that affect peoples' lives—in Centrelink, ATO and DIMIA, to name a few—but those officials also have to understand the nature of their authority: the broad legislative and constitutional framework from which it derives, its limits, the scope of any discretion and how to exercise it.⁵¹

Agency outcome statements advise on the 'policy outcome sought' through program administration or through any discretion to be exercised by the regulatory decision-maker. Take, for example, the outcome statements of DMIA for the period 2001–02. Outcome 1 is specified as 'Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people' and output component 1.2.2 (*Protection Visas (Onshore)*) is 'To ensure that Australia efficiently and effectively fulfils its international obligation not to return, directly or indirectly, refugees to their place of persecution'.⁵² Now take the Prime Minister's broad vision of the same function, also in 2001:

Well, Kerri-Anne, our position, my position is very simply that we and *we alone will decide who comes to this country and the circumstances in which they come*. That is a fundamental and absolute right of any Government ... But it is certainly terrorists against the rest and we're certainly very strongly of that view and naturally we will continue to

strongly assert our right as a sovereign nation to protect our borders and to decide who comes to this country. That is what is at stake, it's not our tolerance or our openness, we will decide who comes, we won't be required by others to accept them irrespective of their entitlement.⁵³

In the political space between the Prime Minister's statement—which set the tone for the 2001 election—and formal agency output indicators a whole series of silent assumptions might be made by public servants. The Prime Minister's words were not an authoritative statement of Government election policy, but they were 'the [2001 election] campaign slogan, the television message for the last weeks, the full page ads being prepared for the newspapers, the posters being printed for distribution from one end of Australian to the other'.⁵⁴ No doubt many DIMIA staff, particularly at more junior levels, would be considerably more familiar with these very widely circulated statements than they would be with their departmental outcome statement. In fact their subsequent behaviour suggests that not only was this the case, but that agency senior staff also took no steps to remind them of the difference between the two. According to the report of the *Inquiry into the Circumstances of the Vivian Alvarez Matter (Comrie Report)*,

It is difficult to form any conclusion other than that the culture of DIMIA was so motivated by imperatives associated with the removal of unlawful non-citizens that officers failed to take into account the basic human rights obligations that characterise a democratic society.

For some DIMIA officers, removing suspected unlawful non-citizens had become a dehumanised, mechanical process. The Inquiry is particularly worried by the fact that some DIMIA officers it interviewed said they thought they would be criticised for pursuing welfare-related matters instead of focusing on the key performance indicators for removal.⁵⁵

Without formal confirmation, what a minister says in a media interview, or even in an election advertisement, should not, of itself, carry authority. On the contrary, departmental outcome statements, which have been agreed with the minister, should provide the policy guidance. But to the extent that there was no clear connection between the emphases being adopted in ministerial public commentary and in agency documentation, what public servants may be expected to do can only be a matter for conjecture. In the absence of guidance from senior management to the contrary, this will generally involve assuming that either the prime ministerial media commentary or the agency outcome statement or both involve considerable spin for the consumption of particular audiences, but that on the whole it is better to mouth the agency's words (on the assumption that this is what they are there for) and obey the Prime Minister's signals (on the assumption that this is what both the Prime Minister and the organisation

want). In the end, the exercise of regulatory oversight was considered by Comrie 'unreasonable and therefore, by implication, unlawful'.⁵⁶

The report of the Palmer Inquiry, which also looked at the conduct of regulatory decision making at DMIA, argued that ongoing reliance on implicit rather than explicit direction fosters the development of an 'assumption culture' in which, because some things are assumed to be right, others must be assumed to be wrong:

Within the DIMIA immigration detention function there is clear evidence of an 'assumption culture'—sometimes bordering on denial—that generally allows matters to go unquestioned when, on any examination, a number of the assumptions are flawed. For example, [it] is assumed ... [that c]riticism of the processes or systems is generally voiced by people who do not understand the complexity of the system or have their own agendas and therefore do not need to be considered seriously.⁵⁷

Such a culture is defensive because in fact it cannot articulate a fully formed defence. The rationale for its behaviour is somewhere in the difference between the Prime Minister's construction of the prerogatives of government and the organisation's understanding of its international responsibilities. Defensive behaviour is simply a means of turning the attack away from those inside the agency ramparts and towards those outside them: either those outsiders who are still numbered among the politically correct (which links the agency's behaviour with generalised responsiveness to government) or those who are uninformed regarding process issues (which covers practically everyone outside the agency itself).

When public servants are caught between implicit political direction and explicit organisational directives, and when agency leadership does not extricate them by saying something unambiguous, they will tend to put their heads down and focus only on their own individual performance indicators. The result in DIMIA's case was diagnosed as an 'environment in which people are unwilling to accept ownership of matters beyond their immediate responsibilities, regardless of the importance of the matter and the obvious need for continuity in its management'.⁵⁸ Even in more benign environments than DIMIA, individual performance indicators can distort the clear line of sight to organisational objectives given the tendency of the measurable to drive out the important. Thus, for example, team leaders at the Australian Taxation Office (ATO) reported that 'part of our message to our staff is, do our work, do it well and pass back to the other business lines what is theirs, because we're not funded for it and all it does is make our performance look bad'.⁵⁹ While this practice is clearly consistent with their low-level performance indicators, it is not consistent with 'the overall ATO value of providing a responsive and integrated service'.⁶⁰ In the case of DIMIA, immigration policing and detention were in separate areas

of the department, and for the public servants concerned they were in separate performance agreements. Had those individuals felt their first duty was to contribute to 'the lawful and orderly entry and stay of people' consistent with outcome 1, they may have identified some process issues, but in fact according to Palmer, 'the predominant, and often sole, emphasis [was] on the achievement of quantitative yardsticks rather than qualitative measures'.⁶¹ Due process lapsed into simple processes, applied against a background of high profile media commentary from the Government on 'terrorists against the rest'.

The capacity of low-level performance indicators to re-introduce a process-driven approach to implementation and break the line of sight to the high-level agency outcomes they are notionally intended to deliver was also identified by the 'Independent Committee of Review of Breaches and Penalties in the Social Security System' in relation to service delivery at Centrelink (considered in more detail in Chapter 6). On the face of it, the problem lay with the low-level performance indicators themselves. In this case indicators of timeliness in handling reports on jobseeker activity appeared to have undermined other service delivery criteria, like attention to the regulatory environment and the application of procedural fairness:

Numerical indicators and targets can be of great value in monitoring, managing and improving performance. But they must be developed and used with great care. They must not be allowed to effectively override or subvert legislation, policy instructions, or other standards and goals that, although not expressed numerically, should be given due attention. It is especially dangerous when a particular indicator is singled out and excessively promoted for narrow or short-term goals as a key basis for assessment and competition, at the expense of assessing and encouraging longer-term, balanced and effective performance.⁶²

This extract from the findings of the Independent Review would appear to report a commonplace conflict between efficiency and effectiveness (or efficiency and equity), or the cost and quality of service. But the decisions in question relate to the reduction or termination of welfare benefits for failing to meet certain work activity tests (referred to as 'breaching' in reference to the 'breaching provisions' of the Act). For welfare recipients, and for the integrity of the welfare system as a whole, breaching is a sensitive matter, and the Committee of Review was concerned that corners might be being cut in this area because of the existence of a quota of breaches to be identified and upheld. Even had sufficient resources been provided to deliver a fair process (a matter at issue), it was felt that the quota established a bias towards the finding of a breach. In this case, the assumption-based culture arose because of the displacement of agency standards by performance-criteria goals set through contractual arrangements with another agency for the delivery of welfare services.

The impact of contestability and outsourcing on relations between the administrative and political arms of government is considered in more depth in Chapters 2 and 6. The point to be considered here in connection with individual performance management is that, for the public servants making decisions about the breaching of welfare recipients, contractual quotas on breaching were clearly consistent with public statements of the minister responsible for the portfolio administering the contract:

But we can't abolish poverty because poverty in part is a function of individual behaviour.

We can't stop people drinking.

We can't stop people gambling.

We can't stop people having substance problems.

We can't stop people from making mistakes that cause them to be less well-off than they might otherwise be.⁶³

Given the public profile of statements of this nature,⁶⁴ it is not surprising that public servants at Centrelink were focused on quotas for breaches, regardless of the fact that such quotas encouraged them, in the words of the Independent Committee of Review, 'to effectively override or subvert legislation, policy instructions, or other standards and goals'. The agencies concerned subsequently pointed out that their employees had misunderstood the intention and nature of the contractual quotas. If it was a misunderstanding, it was certainly a pervasive one, and found by the Independent Committee of Review to be so. Were public servants listening to a dogwhistle that was not really there? If so, how did it become a performance indicator?

'Assumption cultures' are by their nature entrenched over time, and an agency's leadership has a considerable capacity to either reinforce selected assumptions or to let them develop in default of any public guidance or, conversely, to provide such guidance and to ensure the system takes proper account of values, relationships, and behaviours as well as results. Take, for example, the case of a briefing note circulated to Centrelink staff that pursued 'broad principles' supported by the minister but remained altogether unknown to the minister until after an 'internal briefing note' was made available to the ABC:

MARK WILLACY: ... Terms like 'job snobs' and 'work shy' resonate with the electorate. Keeping in this vein, the Government's welfare agency, Centrelink, is instructing its staff to give job-seekers a stark message. In a briefing note titled 'Now or Never,' staff are instructed to tell their clients, 'that if you can't get a job in Sydney this year, you never will, and you're not serious about work.'

TONY ABBOTT: Well, I'm not sure that there has been any document approved by the Government to that effect.

MARK WILLACY: Employment Services Minister, Tony Abbott, has drawn intense criticism from the Opposition for his approach to the jobless. Another critic has been the union movement. Mark Jepp is the Secretary of the Community and Public Sector Union which represents Centrelink workers. He scoffs at Tony Abbott's claim that he was unaware of the 'Now or Never' briefing paper.

MARK JEPP: Those policy directions are made directly by the Government and then they are handed to Centrelink. Centrelink do not have any discretion in these sorts of matters. They are directives that they receive either from Minister Abbott or Minister Reith's Departments.

MARK WILLACY: The briefing notes also instruct Centrelink staff to place clients in breach if they're [sic] job-seeking excuses are deemed to be unacceptable. Minister Abbott, while denying knowledge of the document, says he agrees with its broad principles.⁶⁵

Whatever the resonance of the 'briefing note' with the electorate, it is difficult to reconcile the instruction to tell clients 'if you can't get a job in Sydney this year, you never will, and you're not serious about work' with the requirement under the Section 10(1)(g) of the Public Service that 'the APS delivers services fairly, effectively, impartially and courteously to the Australian public, and is sensitive to the diversity of the Australian public'. Nevertheless, although the actual author of the document is not known and its consistency with formal agency directives is ambiguous, it was evidently believed by some staff to have senior management support and was therefore accorded formal status as accepted operating policy.

Finally, take the more recent case of the Workplace Authority, an agency whose strategic objectives are to ensure that:

- More employers and employees are informed and confident about making an appropriate workplace agreement; [and]
- Parliament and the Australian Government have confidence in the Workplace Authority as a trusted and responsive authority on workplace agreements.⁶⁶

In this case the line of sight from employees to the agency's strategic objectives lies through the behaviour modelled by the agency head. This behaviour is considered in Chapter 2. Its tendency to support the agency's formal strategic objectives is patchy. While the Howard Government may be assumed to have had confidence in the Authority as a consequence of the director's becoming 'such an important component of the advertising'⁶⁷ this was not the case with the Parliament more generally.⁶⁸ And the controversy generated by the

advertising was also unlikely to have made a positive contribution to widespread 'confidence about making an agreement'. Nor did it produce confidence more generally in the professionalism of the APS; on the contrary, it 'reinforce[d] the perception of a service giving too much weight to responsiveness over apolitical professionalism, and undermine[d] the confidence of the Opposition in the capacity of the service to support its policies and programs should it become the Government in the coming election'.⁶⁹

How are the employees of the Workplace Authority to understand their obligation to 'provide straightforward information in response to ... questions on all aspects of workplace relations?'⁷⁰ How can they expect to be judged on whether their performance meets agency's core standard of 'professionalism'?⁷¹ No wonder there is some confusion (or cynicism) among public servants about the 'line of sight' from high-level agency strategic objectives to their own understanding of what is actually required of them by their senior managers and ministers. No wonder that, while public servants from both policy and service delivery agencies place a high value on *regular* performance feedback,⁷² they are overwhelmingly negative about the system of annual performance agreements complete with personal targets and indicators and, in the great majority of cases, with numerical rating scales associated with pay outcomes. Importantly, they seem to detect a gap between the theory and practice of system, between what it calls for and what it actually expects—a problem, according to the Australian National Audit Office (ANAO), that boils down to credibility:

Significant issues remain in establishing credible performance management systems in the APS. The perception of APS employees, reflected in survey responses obtained as part of the audit, is that there remains a substantial gap between the rhetoric and the reality. While staff generally could be expected to be less sanguine about achievements, there is a degree of uniformity in survey views across agencies with differing performance. Many staff considered that the distribution of performance pay in their agency was unfair; that there was bias and favouritism exhibited in performance reward decisions; that the rewards offered were not worth the extra effort involved; and that there was a lack of clarity for them on what constitutes good performance. Staff also did not see the performance management systems as effective in assisting them to evaluate, or to improve, their own performance. At the very least, the ANAO considers that there is an issue of staff perceptions that needs to be addressed.⁷³

In 2005–06, half of all APS employees responding to the *State of the Service Employee Survey* did not agree that the performance pay system in their agency operated fairly and consistently; and less than a quarter believed that the pay outcomes of performance assessments accurately reflected differences in

individual performance (Table 1). These responses follow 2004 survey findings from the ANAO that many public servants were calling for more quantifiable performance indicators, as if that would simplify and bridge the gap between the theory of the system and their experience of its operation.⁷⁴

Table 1. Responses from *State of the Service Employee Survey*

<i>Question 70. Please rate your level of agreement with the following statements on the performance pay system in your agency:</i>							
		strongly agree	agree	neither agree nor disagree	disagree	strongly disagree	not sure
		%	%	%	%	%	%
a. Provides appropriate rewards for top performers.	2003	4	36	26	24	7	3
	2004	5	42	24	19	7	3
	2005	4	36	25	25	7	4
	2006	6	44	22	19	5	4
b. Contributes to a workplace culture in which individuals work together effectively.	2003	4	37	27	22	8	2
	2004	4	34	27	25	8	2
	2005	4	33	28	25	9	1
	2006	6	37	25	24	6	2
c. Contributes to a workplace culture which upholds the APS Values.	2003	5	46	23	19	5	2
	2004	5	46	23	19	6	2
	2005	4	43	22	21	7	2
	2006	5	49	21	17	5	3
d. Accurately reflects differences in individuals' performance.	2003	2	20	26	37	11	4
	2004	2	20	28	33	13	4
	2005	2	18	26	37	14	4
	2006	3	21	26	34	11	5
e. Operates fairly and consistently.	2003	2	23	24	32	15	4
	2004	3	22	24	31	17	4
	2005	3	18	21	36	19	4
	2006	2	21	20	37	14	6
f. Acts as an incentive to perform well.	2003	2	22	35	28	11	3
	2004	2	24	35	25	12	2
	2005	2	18	37	28	12	3
	2006	3	25	35	24	8	5
g. Ensures performance assessment is managed systematically and regularly.	2003	2	32	38	17	7	3
	2004	4	31	36	16	9	4
	2005	3	28	35	20	9	5
	2006	4	33	34	17	5	6

Note: Respondents who answered 'No' or 'Not sure' to question 68 were not asked this question. The percentage of relevant respondents who did not answer this question in 2003 was: a – 0.2%, b – 0.3%, c – 0.3%, d – 1.2%, e – 1.2%, f – 1.6%, g – 1.0%. The percentage of relevant respondents who did not answer this question in 2004 was: a – 1.2%, b – 1.0%, c – 1.2%, d – 1.6%, e – 1.2%, f – 1.3%, g – 1.2%. The percentage of relevant respondents who did not answer this question in 2005 was: a – 1.0%, b – 1.1%, c – 1.1%, d – 1.1%, e – 1.0%, f – 0.7%, g – 1.2%. The percentage of relevant respondents who did not answer this question in 2006 was: a – 0.7%, b – 0.8%, c – 1.5%, d – 1.0%, e – 1.1%, f – 1.0%, g – 1.1%.

More broadly, public servants responding to both the ANAO and the *State of the Service Employee Surveys* did not see access to performance-related pay as a significant factor in improving their productivity as promised by NPM

theorists.⁷⁵ In fact, when those who felt their productivity had improved over the year were asked by the Australian Public Service Commission to rate the contribution of performance-related pay to that improvement they ranked it at the bottom of the 16 factors from which they were asked to choose.⁷⁶

There are no consistent trends in how different classifications of employees respond to having their performance broken down into indicators and assessed, although the *2005–06 State of the Service Report* found that overall employees in executive level classifications were most negative.⁷⁷ This is consistent with evidence that longer-serving, experienced public servants find the system more distasteful than new public servants.⁷⁸ There is, however, considerable variation between agencies in employees' views on the operation of individual performance assessment systems. This suggests that the credibility gap may be more evident in some agencies than others and is consistent with the scope for variation between agencies in what people believe themselves to be explicitly and implicitly expected to do to win performance pay; how transparently assessment processes are considered to work; and the extent to which assessment is linked to financial outcomes through rating scales. Among large agencies (for which statistically reliable employee responses are available), employee assessments of agency assessment arrangements varied markedly against a range of criteria. *State of the Service* reports indicate that:

- employee views that their agency performance assessment system 'operates fairly and consistently' were in the ranges 19–69 per cent in 2003–4, 20–54 per cent in 2004–05, and 24–66 per cent in 2005–06;
- employee views that their agency performance assessment system 'acts as an incentive to perform well' were in the ranges 16–56 per cent in 2003–04, 24–49 per cent in 2004–05, and 26–63 per cent in 2005–06.
- employee views that their agency performance assessment system 'ensures performance system is managed systematically and regularly' were in the ranges 24–70 per cent in 2003–04, 34–64 per cent in 2004–05, and 38–68 per cent in 2005–06;
- employee views that their agency performance assessment system 'provides appropriate rewards for top performers' were in the ranges 6–51 per cent in 2003–04, 9–48 per cent in 2004–05, and 14–45 per cent in 2005–6;
- employee views that their agency performance assessment system 'contributes to a workplace culture where individuals work together effectively' were in the ranges 11–51 per cent in 2003–04, 9–39 per cent in 2004–05, and 12–49 per cent in 2005–06; and
- the smallest ranges in opinion were for 'accurately reflects differences in individual performance' (the range in 2003–04 was between 11 per cent and 38 per cent and in 2004–05 was between 9 per cent and 26 per cent).⁷⁹

It is not possible to push the analysis further and identify those agencies whose employees exhibit high levels of scepticism in relation to their performance assessment systems; neither does the *State of the Service Report* provide data which can be used to establish whether there are correlations between employee views of performance assessment systems and challenges they have experienced in dealing with their own portfolio ministers and their ministerial advisers.

It is, however, possible to look generally at whether employees of large agencies experienced performance assessment and pay systems as supportive of the range of values they are legally required to uphold under the Public Service Act. In 2006, between 23 and 55 per cent of employees in large agencies agreed that the performance pay system in their agency contributed to a workplace that upholds the APS Values.⁸⁰ Conversely, 62 per cent of all employees surveyed did not agree and 22 per cent actively disagreed. This is at least indicative of a view that no matter how clearly the ethical framework calls for balance between the APS Values, the performance system itself does not generally appear to reinforce it. Of course these may not always be the APS Values relating to direct interaction with ministers and their advisers, but in a system of 'managing for results' the views of ministers and advisers will often work in the background. For some policy advisers, performance criteria may have been assumed to call not only for an understanding of the government's policy priorities and the use of its preferred discourse but also for the anticipation of its unspoken preferences. For some public servants who deliver services and administer regulations, performance criteria may be assumed to call not only for a focus on low-level indicators but also for a rule-bound and punitive approach to groups that fall outside 'mainstream Australia'.

So, there is much ambivalence among public servants over the credibility of performance pay regimes. Some believe that they are there to signal an over-zealous approach to 'Meet[ing my] Minister's requirements for my area's Ministerial and Parliamentary Business'; at the other end, some believe that they are simply a means of offering retention bonuses in disguise. No doubt agency systems and practices are equally variable. What employees do know is that in 2005 the Council of the Order of Australia saw no inconsistency in awarding an Australian honour—an Officer in the Order of Australia—to the Secretary who presided for seven years over 'practices [that] have been in operation for a long time and seem to have given rise to an immigration detention culture that, in the opinion of the Inquiry, constrains thinking, flexibility and initiative and concentrates on functions, process and quantitative measurement to the detriment of the achievement of policy outcomes'.⁸¹ The appointment was for 'service to the community through contributions to Australia's international relations and to major public policy development including domestic security, border systems, immigration, multicultural affairs and Indigenous service delivery'.⁸² At the same time, the Government appointed Mr Farmer to one of Australia's most

important diplomatic posts (Indonesia) as ambassador; shortly after, it ushered in 'a major organisational change process' led by a new secretary.⁸³

Such an obvious disjunction helps explain public servants' concerns about the credibility of decision making in performance assessment, at least in some agencies, and that in those cases informal messages can be more important than formal ones when performance is being assessed and rewards (and punishments) are being handed around. Ministerial appeals to the electorate constitute an important source of such informal messages, and being 'informed and improved by ongoing discussions with political advisers'⁸⁴ constitutes another. How these messages shape the behaviour of individual public servants will depend on the agencies in which they work—including the leadership in the agency and the quality of its performance management arrangements—as well as their own position in the food chain and their own susceptibility. The public service has been devolved, and agency-specific systems have grown considerably in their capacity to influence individual behaviour. This is the issue that is addressed in Chapter 4.

ENDNOTES

- ¹ Peter Shergold, 'Pride in Public Service', speech to National Press Club, Canberra, 15 Feb. 2006, at <http://www.pmc.gov.au/speeches/index>, viewed 15 Mar. 2006.
- ² Patrick Weller, *Don't Tell the Prime Minister* (Scribe Publications: Melbourne, 2002), 69.
- ³ Management Advisory Committee, *Performance Management in the Australian Public Service: A Strategic Framework* (Canberra, 2001), 17.
- ⁴ See Michael O'Donnell and John O'Brien, 'Performance-based Pay in the Australian Public Service: Employee Perspectives', *Review of Public Personnel Administration* 20 (2000).
- ⁵ 'In 92% of agencies it is mandatory for all employees to have a formal performance agreement': Public Service Commissioner, *2005–06 State of the Service Report* (Canberra, 2006), 162.
- ⁶ Australian Public Service Commission, *State of the Service Employee Survey Results 2004–05* (Canberra, 2005), 42, question 64b. Employees who did not report having improved productivity were included the following year, with only marginally improved results. See Australian Public Service Commission, *2005–06 State of the Service Employee Survey Results* (Canberra, 2006), 46 question 62b.
- ⁷ Australian National Audit Office, *Performance Management in the Australian Public Service*, ANAO Audit Report No 6, 2004–05 (Canberra, 2004), 84, para 6.36, at http://www.anao.gov.au/uploads/documents/2004-05_Audit_Report_6.pdf, viewed 23 July 2007.
- ⁸ *Ibid.* 64, para 4.56.
- ⁹ *Ibid.* 14, para 9.
- ¹⁰ Australian Public Service Commission, *2005–06 State of the Service Employee Survey Results*, 50, question 70.
- ¹¹ Pat Barrett, 'Auditing in a Changing Government Environment', paper based on a lecture presented in the Department of the Senate Occasional Lecture Series, 21 June 2002, p. 84, at <http://www.aph.gov.au/Senate/pubs/pops/pop39/c05.pdf>, viewed 4 July 2007.
- ¹² Management Advisory Committee, *Performance Management*, 18.
- ¹³ *Ibid.* 14.
- ¹⁴ Peter Reith, *Towards a Best Practice Australian Public Service: Discussion Paper issued by the Minister for Industrial Relations and the Minister assisting the Prime Minister for the Public Service* (Canberra, 1996), 19.
- ¹⁵ While this portfolio has undergone a number of administrative changes, the acronym DEWR is generally applied throughout this study for clarity's sake and because workplace relations and employment are the portfolio responsibilities relevant to the discussion.

Whatever Happened to Frank and Fearless?

¹⁶ Department of Employment and Workplace Relations, 'APS — Supporting Guidance for the Policy Parameters for agreement-making in the Australian Public Service', June 2004, p. 25.

¹⁷ Management Advisory Committee, *Performance Management*, 26.

¹⁸ See Jane Loring, 'Changing Employment Contracts, Changing Psychological Contracts, and the Effects on Organisational Commitment', Master of Science dissertation, Curtin University of Technology, July 2003, p. 12.

¹⁹ Department of Defence Online media room, 'People Power', based on an address to the International Seminar of the Royal United Services Institute of Australia by Allan Hawke, Secretary of the Department of Defence, 17 Nov. 2000, at <http://www.defence.gov.au/media/SpeechTpl.cfm?CurrentId=444>, viewed 23 July 2007.

²⁰ Management Advisory Committee, *Performance Management*, 42.

²¹ Australian Public Service Commission, *State of the Service Employee Survey Results 2004–05*, 43, question 66.

²² Andrew Podger, 'What Really Happens: Department Secretary Appointments, Contracts and Performance Pay in the Australian Public Service', *Australian Journal of Public Administration* 66(2) (2007), 143. Comments by other secretaries are included in John Halligan, 'Labor, the Keating Term and the Senior Public Service', in Gwynneth Singleton (ed.), *The Second Keating Government: Australian Commonwealth Administration 1993–1996* (Canberra, 1997).

²³ Public Service Commissioner, *2004–05 State of the Service Report* (Canberra, 2004), 41.

²⁴ Public Service Commissioner, *2004–05 State of the Service Report*, 179.

²⁵ Public Service Commissioner, *2005–06 State of the Service Report*, 58.

²⁶ See, for example, *ibid.* 34; and Australian National Audit Office, *Developing Policy Advice*, Audit Report No 21, 2001–2 (Canberra, 2001), 52: 'DEWRSB uses a system to monitor against the quality performance indicator whereby all briefs are ranked by its ministers. This approach was agreed with the minister and uses a five point scale ...'.

²⁷ Public Service Commissioner, *2004–05 State of the Service Report*, 32–3.

²⁸ Management Advisory Committee, *Performance Management*, 37.

²⁹ Public Service Commissioner, *2004–05 State of the Service Report*, 32–3; and *Supporting Ministers, Upholding the Values* (Canberra, 2006), 6.

³⁰ Management Advisory Committee, *Performance Management*, 37.

³¹ See, for example, Public Service Commissioner, *2004–05 State of the Service Report*, 34; and Australian National Audit Office, *Developing Policy Advice*, 21.

³² Podger, 'What Really Happens', 142.

³³ Public Service Commission, *APS Values and Code of Conduct in Practice: Guide to Official Conduct for APS Employees and Agency Heads* (revised 2005), Ch. 1, at <http://www.apsc.gov.au/values/conductguidelines3.htm>, viewed 22 June 2007.

³⁴ Peter Shergold, 'Once was Camelot in Canberra? Reflections of Public Service Leadership', Sir Roland Wilson Lecture, Canberra, 23 June 2004, 10, at www.pmc.gov.au/speeches/shergold/public_service_leadership_2004-06-23.cfm, viewed 19 June 2006.

³⁵ See Sean Brawley, 'A Comfortable and Relaxed Past: John Howard and the "Battle of History": The First Phase—February 1992 to March 1996', *Electronic Journal of Australian and New Zealand History* (27 Apr. 1997), at <http://www.jcu.edu.au/aff/history/articles/brawley.htm>, viewed 31 Aug. 2006.

³⁶ John Howard, 'The Role of Government: A Modern Liberal Approach', Menzies Research Centre 1995 National Lecture Series, at <http://www.ozpolitics.info/election2004/1995-rolegovt.htm>, viewed 1 Mar. 2007.

³⁷ *Ibid.*

³⁸ Jenny Stewart, 'Value Conflict and Policy Change', *Review of Policy Research* 23(1) (2006), 191.

³⁹ Shergold, 'Once was Camelot in Canberra?', 8.

⁴⁰ According to the 2003–04 *State of the Service Employee Survey Results* (response to question 54c), 1% of the 15% of all employees who had experienced discrimination in the workplace during the previous 12 months identified their 'minister or ministerial adviser' as responsible for the discrimination. According to question 55c, 1% of the 15% of employees who experienced bullying in the workplace over the previous 12 months identified their 'minister or ministerial adviser' as responsible for the bullying. The question was not quarantined to the 20% of employees who had been in direct contact

with ministers or their advisers over the same timespan, suggesting that the proportion in those cases would have been notably higher.

⁴¹ Lynelle Briggs, 'Supporting Ministers, Upholding the Values: A Good Practice Guide, Public Service Commissioner's Launch', Canberra, 9 Mar. 2006, at <http://www.apsc.gov.au/media/briggs090306.htm>, viewed 20 June 2006.

⁴² See data on agency leadership and the APS Values, and ethical agency leadership, in Ch. 4 and the *Employee Survey* observation in the same chapter.

⁴³ Briggs, 'Supporting Ministers ... Launch'.

⁴⁴ Public Service Commissioner, *2004–05 State of the Service Report* (Canberra, 2005), 35.

⁴⁵ Management Advisory Committee, *Performance Management in the Australian Public Service*, 37.

⁴⁶ Podger, 'What Really Happens', 142.

⁴⁷ Department of Finance, *Annual Report 2001* (Canberra, 2001–2), at

<http://www.finance.gov.au/pubs/annualreport00%2D01/fin%5Fannual%5Freport/ch2/chp2%5Ftxt2.htm>, viewed 23 July 2007.

⁴⁸ Department of Employment and Workplace Relations, *Annual Report 2002–3*, at

<http://www.dewr.gov.au/dewr/Publications/AnnualReports/2002-03/>, viewed 23 July 2007.

⁴⁹ Management Advisory Committee, *Performance Management in the Australian Public Service*, 37.

⁵⁰ See Haig Patapan, John Wanna and Patrick Weller (eds), *Westminster Legacies* (University of New South Wales Press: Sydney, 2005), 6.

⁵¹ Public Service Commissioner, *2004–05 State of the Service Report* (Canberra, 2005), 7.

⁵² Department of Immigration and Multicultural and Indigenous Affairs, *2001–2 Annual Report*, at http://www.immi.gov.au/annual_report/annrep03/report03.htm, viewed 21 Feb. 2006.

⁵³ Transcript of the Prime Minister the Hon. John Howard MP interview with Kerri-Anne Kennerley, Radio 2GB, 1 Nov. 2001, at <http://www.pm.gov.au/news/interviews/2001/interview1434.htm>, viewed 31 Aug. 2006.

⁵⁴ David Marr and Miriam Wilkinson, *Dark Victory* (Allen & Unwin: Sydney, 2003), 245–6.

⁵⁵ Neil Comrie, *Report of the Inquiry into the Circumstances of the Vivian Alvarez Matter* (Sept. 2005), p. 31.

⁵⁶ *Ibid.* p. xi, para 11.

⁵⁷ M. J. Palmer, *Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau: Report* (July 2005), 168, at <http://www.minister.immi.gov.au>, viewed 13 Feb. 2006.

⁵⁸ *Ibid.* 165.

⁵⁹ Eve Anderson, Gerard Griffin and Julien Teicher, 'From Industrial Relations to Workplace Relations in the Australian Tax Office: An Incomplete but Strategic Transition', *Journal of Industrial Relations* 47 (3) (Sept. 2005), 345 (focus group 4 June 2002).

⁶⁰ Anderson et al., 'From Industrial Relations to Workplace Relations', 345.

⁶¹ Palmer, *Inquiry*, 171.

⁶² Dennis Pearce, Julian Disney and Heather Ridout, 'The Report of the Independent Review of Breaches and Penalties in the Social Security System' (2002), para 8.17, at

<http://eprints.anu.edu.au/archive/00001515/01/index-8.html> viewed 31 Aug. 2006. The Independent Review of Breaches and Penalties in the Social Security System was established by a number of organisations interested in issues relating to support for unemployed persons. The organisations are listed in appendix 1 of the report.

⁶³ Tony Abbott, transcript, Four Corners, 'Going Backwards', ABC, 2001, at <http://www.abc.net.au/4corners/stories/s326017.htm>, viewed 31 Aug. 2006.

⁶⁴ Kavita Ayer, 'Poor Choices: Cicero, Tony Abbott and the Agency of Poverty', Monash University, School of Historical Studies (2004), at http://www.arts.monash.edu.au/eras/edition_6/ayerarticle.htm provides a clear indication of the high-profile nature of these comments at note 7: 'Other examples of criticism include: Senator Natasha Stott-Despoja claimed the government should accept that poverty is also, in part, "a function of the Government's failing to give people enough money to live on", in a speech to the National Press Club — <http://www.democrats.org.au/campaigns/natpressclub>; Michael Raper, the president of the Australian Council of Social Service (ACOSS), called Abbott's comments "a cop-out" — www.abc.net.au/public/news/2001/07/item200107101015081.htm.' See also P. Mendes, 'Bullying the Poor: Tony Abbott on the Welfare State', *Australian Quarterly*, July–August 2002, pp.33–5, and 'Welfare Groups Lash out at Abbott's Comments', broadcast on ABC local radio on July 10th, 2001

– transcript available at www.abc.net.au/pm/s326684.htm, pp.1–3. The Prime Minister John Howard defended Abbott and denied that Abbott was becoming a 'liability' on television, for example on Channel Nine's Today program on the 11 July, 2001 — transcript available at www.pm.gov.au/interviews/2001/interview1120.htm.

⁶⁵ Mark Willacy, 'Govt Says Even "Job Snobs" Can Find Work in Olympic Year', *The World Today* Archive, 28 June 2000, at <http://www.abc.net.au/worldtoday/stories/s146078.htm>, viewed 31 Aug. 2006.

⁶⁶ Workplace Authority Strategic Plan 2006–2009, at <http://www.oea.gov.au/graphics.asp?showdoc=/aboutus/strategicPlan.asp>, viewed 20 Aug. 2007.

⁶⁷ Joe Hockey quoted by Mark Davis, 'Workplace Ad May Breach Public Service Code, Says Gillard', *Brisbane Times*, 17 July 2007, at <http://www.brisbanetimes.com.au/news/national/workplace-ad-may-breach-public-service-code-says-gillard/2007/07/16/1184559705331.html>, viewed 17 July 2007.

⁶⁸ Julia Gillard Portfolio News website, Transcript Radio Interview with Leon Delaney, 2SM, 17 July 2007, at <http://www.juliagillard.alp.org.au/news/0707/mediaportfolionews17-01.php>, viewed 20 Aug. 2007.

⁶⁹ Andrew Podger, 'Pride and Prejudice: Ms Bennett as the New Face of a Very Public Service', *Public Sector Informant*, 7 Aug. 2007, p. 6.

⁷⁰ Workplace Authority, 'Current Vacancies, Level 2 Position Profile, Key Responsibilities', at http://workplaceauthority.nga.net.au/mjs_customer_data/workplaceauthority/job_files/237/PP%20-%20CC%20APS%204.pdf, viewed 20 Aug. 2007.

⁷¹ Workplace Authority, 'Working for the Workplace Authority', at <http://www.workplaceauthority.gov.au/graphics.asp?showdoc=/aboutus/workingHere.asp>, viewed 20 Aug. 2007.

⁷² Public Service Commissioner, *2004–05 State of the Service Report*, 170.

⁷³ Australian National Audit Office, *Performance Management in the Australian Public Service*, ANAO Audit Report no 6, 2004–5 (Canberra, 2004), 14, at http://www.anao.gov.au/uploads/documents/2004-05_Audit_Report_6.pdf, viewed 23 July 2007.

⁷⁴ *Ibid.* 83.

⁷⁵ See, for example, David Osborne and Ted Gabler, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector* (Addison-Wesley Publishing: Reading, Mass, 1992); David Osborne and Peter Plastrik, *Banishing Bureaucracy: The Five Strategies for Reinventing Government* (Addison-Wesley Publishing: Reading, Mass, 1997).

⁷⁶ Australian Public Service Commission, *State of the Service Employee Survey Results 2004–05* (Canberra, 2005), 42, question 64b. Employees who did not report having improved productivity were included the following year, with only marginally improved results. See Australian Public Service Commission, *2005–06 State of the Service Employee Survey Results* (Canberra, 2006), 46, question 62b.

⁷⁷ Public Service Commissioner, *2004–05 State of the Service Report*, 164 and *2005–06 State of the Service Report*, 165.

⁷⁸ Public Service Commissioner, *2004–05 State of the Service Report*, 164.

⁷⁹ *Ibid.* 162–3 and *2005–06 State of the Service Report*, 164–5.

⁸⁰ Public Service Commissioner, *2005–06 State of the Service Report*, 165.

⁸¹ Palmer, *Inquiry*, 171.

⁸² Australian Government Site, 'It's an Honour—Australia Celebrating Australians', at http://www.itsanhonour.gov.au/honours/honour_roll/search.cfm?breif=true&page=1&search_type=quick, viewed 31 Aug. 2006.

⁸³ Abdul Rizvi, 'Organisational Alignment: How Project Management Helps', in John Wanna (ed.), *Improving Implementation: Organisational Change and Project Management* (ANU E Press), 71–8, at <http://epress.anu.edu.au/anzsog/imp/pdf/ch06.pdf>, viewed 23 July 2007.

⁸⁴ Shergold, 'Once was Camelot in Canberra?', 8.