Chapter 1 - A Passion for Policy

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I am pleased to speak to you about the need to continue a passion for policy in the Australian Public Service. I assume that having made the time to be here today you share my concern for getting the best policy outcomes for Australia. I hope that at the conclusion of this lecture you will also share my enthusiasm for re-examining where the public service is positioned in the policy environment, and for working out where we need to be, and how to get there – and for re-igniting a passion that goes to the very heart of what we do.

What do I mean when I talk about a ‘passion for policy’? For some of you it may seem an unlikely combination of words. You’ll be surprised to know, then, that in 1887 Richard Bentley of London published Policy and Passion: a novel of Australian Life. Though dated, it comes close to describing the sense in which I use ‘passion’ today. ‘There is [the author says] a quasi-intellectual passion which in some natures is hardly less potent than that aroused by wine or women.’

On the eve of a combat mission during WWII a young Gough Whitlam demonstrated such a passion in a letter to his wife, thousands of miles away. It was an impassioned argument in support of Curtin’s post-war reconstruction and democratic rights referendum. The letter, Laurie Oakes, a parliamentary journalist, later observed, could easily have been addressed to ‘the men and women of Australia’. Gough concluded the letter ‘[y]ou can hardly fail to see that the Commonwealth is better fitted to deal with such nationwide problems. And so to bed. Love, G.’

It is this sort of ‘passion’ that forms the essence of this lecture. It is an intellectual passion for new thinking, for challenging the status quo – a passion for resolving national problems, problems that are said to be unsolvable. It is a passion for working together, and for working differently.

The areas I want to cover in this lecture that go to make up this passion for new thinking, for resolving problems and for working together, are:

• making policy in a contestable public sector environment;
• the nature of the passion for policy development itself;
• growing the research and policy-making capability in the APS; and
• building whole-of-government policy.
Policy-making in a contestable public sector environment

I start by tackling policy-making in a contestable public sector environment. Once the source of almost all policy advice to the Commonwealth Government, the Australian Public Service now operates in a contestable environment. But I wonder whether most of us really understand the dynamics of that environment, and what its implications are for the Australian Public Service. The notion of a public service providing ‘frank and fearless advice’ is deeply embedded in our institutional psyche. Yet we stand alongside ministerial advisers, the media, lobbyists, think tanks and interest groups — who are neither supported nor constrained by our values; as providers of policy inputs to government, our virtual monopoly on policy is long gone.

The contestability of ‘policy’ is part of a more fundamental shift in the public sector environment, and I think it needs to be understood in this context. As in the OECD, the public sector in Australia over the past 30 years has been continuously adjusting its ‘fit’ to a changing global society. To a society where economic, social and technological developments have given rise to new problems, new capacities and new relationships between citizens and governments — an environment in which an educated and empowered citizenry hold new and different views about what they expect from their social contract with government.

At the same time, governments have relinquished control of some of their key economic levers by, for example, floating their currencies, opening up their national economies and deregulating their financial systems. They now operate within the constraints of a global economy. Government policy is now delivered through a more devolved set of arrangements, including the privatisation of some areas of government business; a shift from direct service delivery to contracting out and regulation; and the creation of quasi-markets, where the government retains control of some aspects of the market including access, availability, quality, and sometimes even price. This is the policy delivery end of public policy.

At the other end, where policy advice is provided to government, there are at least an equally large number of players. Many are not contracted by or to government and offer their advice on behalf of non-government bodies. Nevertheless, according to author Celia Perkins, the large number of external sources of policy inputs available to government now points to an established market for policy advice. On this basis, she says, policy advice is naturally contestable.

For reasons I will elaborate on shortly, even if we in the bureaucracy could influence a move away from contestability (and I would argue we cannot), I do not believe there would be much reasoned support for it. We do, however, need
to ask ourselves how we can make the most of our evolving circumstances – some are inclined to view contestability as a threat, or worry that the position of the public service is being eroded. I view the situation differently – there are undoubted opportunities here for the public service to capitalise on all of these policy inputs so as to get the best possible policy outcomes – but I do think we need to mobilise our passion for policy – a passion that has always been there – in new ways and in new directions.

**A policy advice market**

So, if we accept that there is a policy market, who is in it? The Australian Public Service now stands alongside an extensive range of policy players - ministerial advisers, lobbyists, think tanks and other interest groups – all providers of policy inputs and advice to government. Some specific examples of policy institutes, or think tanks, that are in the field of contest include:

- The Melbourne Institute of Applied Economic and Social Research, which was established in 1962 and takes an interest in social and political issues. It aims to ‘foster effective responses to economic and social issues through research that identifies alternative policy responses and quantifies their likely effects’.
- The Australia Institute, based in Canberra, which is a relative newcomer contributing to mainly social, economic and health matters. Its aim is to ‘develop and conduct research and policy analysis and to participate forcefully in public debates’.
- The Australian Strategic Policy Institute, which is also based in Canberra, and is prominent in relation to defence issues. Its relationship to government is explicitly stated in its goals, which include providing what it calls ‘fresh ideas for government’. The institute intends to be a source of new ideas and innovative solutions for government, both through its published work and through policy analyses specifically commissioned by the government.
- The Sydney-based Lowy Institute for International Policy describes itself as ‘an independent, non-partisan, international policy think tank’ and concerns itself with international policy. Its objective is to ‘deepen the debate in Australia about international policy and to generate new ideas and dialogue on international developments’.
- The Institute of Public Affairs is focused on economic and political issues. It contributes to the policy debate around the environment, deregulation, workplace relations, energy, and governance. Its website declares that on the basis of its research it ‘can recommend the best path for … politicians, policy makers and businesses to take’.

All of these institutes are notionally independent. But in the case of the Australian Strategic Policy Institute and the Australian Institute of Family Studies, among
others, they were established by the government for the express purpose of
doing research and policy work that would inform the government’s thinking
on particular issues. Other think tanks that are ‘independent’ of government
are nevertheless dependent on commissioned research, often from government,
or on the donations of those who support the particular lines of argument that
characterise the organisation – be they left wing, right wing or birds of some
other feather. It is worth noting, too, that these organisations are often engaged
in a ‘debate’ with one another – an ideological contest, if you like.

NGOs and lobby groups
Then there is the plethora of Non-Government Organisations (NGOs) and lobby
groups that have a specific policy interest. Take for example the NGOs that
operate within the policy environment of just one APS agency – the Australian
Agency for International Development, or AusAid. There are almost 50 separate
organisations in this sector including:

• the Australian Red Cross;
• Australians Caring for Refugees;
• International Needs Australia;
• Adventist Development and Relief Agency; and
• the International Women’s Development Agency.

If we extrapolate from here, across all APS agencies and policy areas (and of
course the number of NGOs would vary from area to area) we might begin to
have a sense of just how many voices are clamouring to be heard by government
and who bring their own particular passion for policy. In Barton alone, at the
heart of government, there are dozens of NGOs and lobby groups:

• the National Farmers’ Federation;
• the Australian Medical Association;
• the Salvation Army;
• the Australian Chamber of Commerce and Industry;
• the Australian Council of Trade Unions; and
• the Motor Traders’ Association.

All of these peak lobbyists operate by gaining the attention of — and seeking
to influence — Ministers and the bureaucracy. And they are heard. The inclusion
of lobby groups in the recent Child Support Ministerial Taskforce reference
group demonstrates a determination by the government to deal directly with
lobby groups on this issue. The taskforce was chaired by Patrick Parkinson, a
professor in the Faculty of Law at the University of Sydney and Chairperson of
the Family Law Council. Members of the taskforce reference group included
representatives of Unifam, Dads in Distress, the National Council of Single
Mothers and their Children, the Sole Parents’ Union of Australia, the Lone Fathers’ Association of Australia, and the Early Childhood Association.

Michael Keating, a former head of the Department of Prime Minister and Cabinet suggests that governments are coy about their relationship with interest groups, because of perceptions of bias and allegations of a ‘democratic deficit’. In practice, he says, governments consult closely with their preferred interest groups, but this is at the political level for major policy initiatives - the detail is worked out by the bureaucracy.

Over the last ten years, though, we have witnessed engagement between the public service and stakeholder groups at far earlier stages than ever before. Indeed, there is growing recognition that individual citizens and companies have a contribution to make and are also on the field of policy contest. There is now widespread use of market research techniques and other consultation mechanisms among Australian public service agencies. The extent to which agencies are consulting is revealed in the last State of the Service Report. This report found that 80 per cent of agencies consult with non-government organisations and 90 per cent consult with industry stakeholders when they are developing policy. They also consult with lots of other groups as well. An OECD policy brief argues that ‘engaging citizens online raises legitimate expectations that public input will be used to inform policy-making’. The challenge, then, is to ensure that – having engaged an eager citizenry – the promise to listen does not become a hollow gesture, and that action or at least a reasoned response follows, wherever possible. Again, I think that this is an area where the Australian Public Service – drawing on its institutional resources – really does have an advantage.

Ministerial advisers

We should also not overlook the role of ministerial advisers. Their influence on policy development has drawn comment as far back as the 1970s. Liberal Senator, John Carrick, remarked then on the ‘insidious’ development whereby advisers – influential, faceless and largely unaccountable - ‘prevent the department from giving its authentic and responsible view to the Minister’. As last year’s State of the Service Report sets out in detail, the number of advisers has grown here as it has overseas. And the number may continue to grow as the demands for responsiveness—to the media and to the community—grow under the pressure of developments in information and communications technology.

The debate about whether ministers’ advisors should have their own more formal accountability arrangements, through a mechanism similar to the APS values and Code of Conduct, is ongoing, and I do not want to go into that in this presentation. It is worth noting, though, that there is some recognition, at both academic and bureaucratic levels, that ministerial advisors should, by taking a
role themselves in providing political advice, reduce the likelihood that public
servants will be asked by their ministers to do things that are verging on the
political.

I would argue that what we have to do in the APS, and do well, is make sure
our relationships with ministers’ advisors work in ways that are consistent with
our values and productive to getting the best outcomes. We can not afford to
be timid about it, and we need not be if we are clear about the constraints on
the relationship and if we work within them – it is a practical application of our
values framework.

The same applies to all the other players in the policy advising market, including
parliamentary committees. The imperative for the APS, I think, is to focus on
our important institutional role – to recognise how we can work together within
the bureaucracy, and how we can get the best leverage off the important policy
work that is being done beyond our institutional boundaries. We need to press
home our competitive advantage.

As public servants, subordinate to statutory obligations, our fundamental
advantage is our values, clearly laid out in the Public Service Act. We are a
professional public service that provides disinterested, impartial and apolitical
advice. By definition we have no barrow to push, no interest group to serve and
no profit to make from the policy advice we provide. I am speaking in a broad
sense. There are, of course, occasions when agencies have a clash of heads, when
their passions or bureaucratic agendas collide. But, so long as we operate within
the limits of our values, I think we have a secure position. We have an
institutional memory that goes back to Federation and that can assist the
government to keep history from repeating itself. We are uniquely placed to
weigh up the advice that the government receives from other players, which,
as Andrew Podger (the previous Public Service Commissioner) asserts, almost
always reflects some sectoral interest or political view.

I would argue, too, that a particular advantage we have in the Australian Public
Service, for policy work, and for every other aspect of our business, is our
diversity. We have moved on from the equal employment opportunity focus of
diversity – although that remains important – to a recognition that diversity is
a tangible component of our organisational capability; that we should, so far as
is possible, reflect the diversity of the community; and that diverse perspectives
should inform our policy-making.

The passion

Some people would say that there is no place for passion in policy because a
good public servant must remain impartial if they are to be responsive to the
government of the day. I take issue with this. I believe there is any number of
good reasons why public servants should be passionate about policy development.

We should be passionate about policy development because our work is critical to the national interest and impacts directly on Australians’ lives and their quality of life – their employment, their health, how they pay their tax, their education, and the environment they live in. What we do impacts on the social and economic well being of the country and on our capacity to meet the challenging problems it faces.

We should be passionate about policy because it gives an intellectual buzz. To be good at policy work demands a mix of knowledge, systems thinking, analytical and conceptual abilities, relationship management and a sense of what is possible. It means having a real sense of the Machiavellian. It is a fascinating field to work in – challenging and complex – and because of that, it is incredibly rewarding.

The quality of policy advice can be variable – in terms of whether it is evidence-based; the time available; the facts and the options have been properly worked through; the views of various interested players considered; the impacts and consequences on different groups known and understood; and the costs understood. We are in competition for this market and, given our sporting traditions, we like to win. Passionate pursuit of policy development gives the public service the opportunity to show what it can do!

But I would go even further than that. I think it is of fundamental importance that public sector policy advisers have passion in their bellies – a passionate interest in what research is telling them; a passion for new ideas; a passion for pushing things along and for providing ministers a perspective on ‘what’s the right thing to do’ at any particular point in time. It is this kind of ‘sparkle and fire’ that drives reform and what really makes a difference.

The reality of day to day government activity is quite different – it is conservative and reactionary – meaning change at the margin or change in response to public pressure. For the most part this is fine, but, in my view, longer-term reform agendas generally emerge only after some really passionate and persuasive arguments are persistently driven by quality public servants (and politicians) who really care.

These are the sorts of public servants I want to encourage – the ones who will run the extra mile; who have the courage of their convictions; who really care about their country and its directions; and who engage actively in the business of government. They are prepared to take the risk of serving challenging agendas up to ministers and pushing them because they matter to us all. More often than not, they will have a lot of public servants quietly supporting them in the backrooms of departments, who also recognise the need for change (and have
done so for many frustratingly long years), but may not feel that they are in quite the same position to pursue it.

The crux of the issue is that you can be passionate without being partial – a good public servant learns how to manage the policy process well and learns how to take the knocks when the government takes a different direction. That is one of the things that makes our jobs harder and more challenging than most and why we are such a resilient bunch.

Being apolitical does not mean being in a vacuum or an automated cipher; being a colourless unengaged dispassionate entity. To be responsive and to serve the government of the day effectively means being engaged, investing your energy in and being enthusiastic for the policy process. Being passionate does not mean that you have to personally support policy directions in a political way. Nor does it mean that you have to be a zealot, with an uncompromising or partisan approach which treats all other views as heresy. It is about being passionate about the policy process and the ideas; exalting debate and proper change flowing from it; being totally professional and ensuring that the government gets the best possible advice. And it is about being passionate about our role in policy development in a strong democratic environment.

To be a passionate public servant can be risky. It can be dangerous to take a new or different stand and to pursue it passionately. That is why we need to always remember that we need to be responsive too and to keep a healthy distance from the issues at hand. To do that, we need to manage ourselves in a way that maintains a sound perspective on our roles and responsibilities and those of the government of the day to take the decisions. I would be surprised if most of us had not got this wrong at one time or another – we may have pushed too hard, or not let off when we should have, or not covered all our bases. It helps to have experience and an engaging personality and, in the absence of that, friends and bosses to keep us on track. We all learn through experience, but without some fire in our bellies we will not get very far, and nor will the country.

**Policy and whole of government working**

While I regard the contestability of policy as unambiguously positive for getting the best outcomes for Australia, it has also generated some issues that the Australian Public Service needs to address. If the public service is to realise its potential (and not just in relation to policy) there is a real imperative to unreservedly adopt whole of government working, beyond the rhetoric, and to make sure that we have the right people in the right jobs with the right skills.

A whole of government approach assumes the need to respond and adapt to the complex and networked environment of modern government that I described earlier – it is about how we remain relevant in a new and fundamentally different
world. It is not a single instrument, for, say, collaboration on service delivery. Rather it is a cohering principle, necessary to maintain our sense of government as a consolidated entity, a single system that can be worked upon to deliver the outcomes expected by the government and the community.

The term itself is flavour of the month. The reality is that we have to move beyond the rhetoric and start doing it for real (this is being done well in some areas - the new Water Commission is really starting to make some headway with water policy across jurisdictions and boundaries). We need to develop an instinct in the public service for doing things collaboratively, while leveraging off the important work being done beyond our boundaries. The alternative is that we will become irrelevant. This is, or should be, part of our competitive advantage: our capacity to think across all the boundaries of all the portfolios and agencies that support government, and to draw on that unmatched resource of skills and experience.

The dilemma for the public sector is captured well, I think, in a recent book by William Eggers (2005) – Government 2.0: Using technology to improve education, cut red tape, reduce gridlock, and enhance democracy. Eggers argues, essentially, that the public sector is struggling with the shift from government in the industrial age (hierarchical and agency-centered) to government in the information age (less-hierarchical and citizen-focused). Egger’s book is written with reference to the U.S. experience, but some of it resonates here in Australia. Not everyone has cottoned-on to the speed at which things are moving – enabled by technology – and how responsive we need to be to government, to the community, and to each other as policy advisers.

In the past, the outcomes we are now looking to achieve from whole of government activity were mostly pursued through organisational restructuring and machinery of government changes. What is new is that today’s whole of government approaches tend to look primarily to the development of organisational cultures, capabilities and relationships that support, model, understand and aspire to whole of government solutions.

The benefits to be had from whole of government working are no greater in any area than in policy development. There is potential here for the Australian Public Service to really press its advantage. We have an institutional framework that will allow us to work collaboratively within the public service, and beyond and we should be actively looking to do that.

A positive move in this direction was made with the issue of a joint communication from myself and all of the 18 portfolio secretaries, titled Working Together. It sets out what is expected of Australian Public Service employees working on whole of government initiatives. The communication emphasises the importance of working across organisational barriers to achieve policy and service delivery objectives. It also outlines some of the significant whole of
government activity that is already being undertaken - especially at the Senior Executive level – but notes that Australian Public Service employees need to look beyond the immediate interests of their own organisation to the broader context. It goes on to provide practical guidance on ways to achieve the best results from our collective endeavours.

Within the public service we need to recognise that central and line agencies bring different perspectives and different resources to the task of policy development – line agencies are often the custodians of the evidence that should support policy for example, while central agencies may well have a better handle on what the government is looking to achieve from a policy development exercise. We should be looking for the synergies here, rather than, as is sometimes the case, engaging in a contest to determine which source of advice will prevail.

Line agencies are the custodians of the data, the day to day regulators, the people who know what will happen when very complex and sensitive systems are adjusted at critical points. Central agencies are information rich in a context sense: they know what the government wants at a strategic level across a range of portfolios and they have access to ministers and through ministers to money. Because line and central agencies each bring particular skills and understanding to policy development, the quality or even extent of policy work will suffer when the creative balance between them is lost. There are any number of factors that can shake that balance, from the electoral cycle to Commonwealth-State relations to the personalities of ministers. It is our responsibility to make the relationship work.

**Building our capability for research and policy**

There is a related issue that I want to address as part of my argument - capability for doing really worthwhile research, evaluation and policy work that instils an intellectual passion for new thinking in our staff and in government, that challenges the *status quo* and that potentially resolves national problems.

For some time now I have been concerned that there has been an erosion of the capacity for sound research, evaluation and analysis in some areas of the APS. There are also concerns that the contribution of line agencies may be being marginalised as more and more policy issues are drawn into the centre. Some of our research and dedicated policy areas in line agencies have been cut back, and some of our best policy people are doing great work delivering big programs but are then unable to help young policy analysts and researchers learn the trade.

While this might be an unintended outcome of how we operate in a world subject to resource constraints and driven by the demands of day to day activities, programme management mantras and media management, it is not necessarily always the right long-term answer to those of us who see public service policy
and research as the cherished core of longer-term government directions and of major new reforms.

I do not think these sorts of problems are insurmountable, but they do require some creative thinking – and a will – at the most senior levels to protect our policy and research base and a willingness in government to appreciate more fully what it can deliver.

I am not alone in my concerns. Academics, Fred Argy (1998), Ian McAuley (2001), David Adams (2002, 2004) and Stephen Bell (2004) suggest that the capacity for research and policy has been reduced in the public sector generally. Adams has pointed specifically to a loss of skills and corporate knowledge in the public service, including as a result of contracting out. McAuley, referring specifically to the public service here in Canberra, says that the ‘assets of specialisation, continuity and experience have been lost’. Argy, in a more extreme scenario, sees a future where ‘departments will become short term in their focus and that serious policy related research and advice will be left to lobby groups, private consultants and think tanks …’ Bell sees that future as having arrived. There has been, he says, ‘an influx of inexpert, relatively policy-ignorant managers versed in the generic corporate techniques of strategic, financial and human resource management’.

In terms of managers being ‘versed in the generic techniques of strategic, financial and human resource management’, I can assure you all that my secretary and agency head colleagues and I would not have it any other way! They are fundamental skills for the sustainability and viability of the modern public service, and I am sure that the Australian public see it that way too. They know that if the business side of operations do not run smoothly, the core objectives and priorities of any organisation will not be delivered well.

I think it is important that we bring a bit more perspective to the policy and research debate. This country has just come through 25 years of probably the greatest policy reform effort in its history or in comparison with similar periods in other countries – we had a lot to do and we have done it. The economy has opened up, our social policies provide good support, our tax system has been reformed, and labour market reforms continue. Free trade agreements are starting to materialise, water research and policy has begun to emerge along with other environmental policy issues, and micro economic reforms continue with energy and transport infrastructure White Papers being implemented. The challenge for us today is to continue the reform process and to identify the next steps for the longer term positioning of our country.

To do that well we need to strengthen our capacity for research, analysis, evaluation and policy formulation. Thankfully, we are not starting from scratch – overall I think we have good foundations for research and policy – and in
some areas there is excellent work being done. Examples I would cite to illustrate this point are:

- the Productivity Commission's strong research capacity into economic and social issues;
- the work of the Australian Bureau of Agricultural Resource Economics and the Bureau of Transport and Regional Economics;
- the research and analytical capacity of the Australian National Audit Office;
- the Economic Analytical Unit located within the Department of Foreign Affairs and Trade, which publishes analyses of economic and trade issues of interest to Australia;
- the research capacity in the area of social issues by the Department of Family and Community Services, and its range of accessible publications on the issues it is investigating and the results of those investigations; and
- and the Evaluation Group at the Australian Public Service Commission with its specific evaluation and research capacity centred around the Australian Public Service Employment Database and the annual State of the Service Report.

I should also add that the Australian Public Service bears responsibility for the maintenance of any number of data bases and repositories of evidence necessary to underpin good policy.

In the UK there are also concerns about research capacity in the public sector, and they are investing in activities aimed at improving that capacity. The Centre for Management and Policy Studies within the UK Cabinet Office is promoting evidence-based policy-making through strategies such as:

- information ‘knowledge pools’;
- the training of officials in evidence interpretation use and application;
- a central website that provides access to the ‘knowledge pools’ and the training, as well as the research programs of government departments; and
- facilitating academic research placements in the Civil Service.

An online resource, set up by the Cabinet Office Government Social Policy Research Unit – called the ‘policy hub’ is promoted as ‘the first port of call for all concerned with policy making’. It aims to promote strategic thinking and improve policy making and delivery across government. Its links, according to the site, provide tailored access to resources and activities from the UK and abroad which help formulate, develop and evaluate policy more efficiently and effectively.

Why was the policy hub developed? A 2002 report of the Better Regulation Taskforce, entitled Local Delivery of Central Government, recommended that the policy hub be developed as the key gateway for promoting best practice, guidance and case studies to policy makers. It promised a new approach to policy
making that would be evidence based, cross cutting and innovative. The policy hub is not just about the public sector though; it recognises that there are many external inputs into government policy making. It aims to provide a platform for promoting the highest standards of research and evaluation. It highlights the conclusions of high-profile projects and includes a guide to policy evaluation and analysis (the Magenta Book) that aims to help ‘intelligent customers’ and ‘intelligent providers’ determine what constitutes high quality work in the field on policy evaluation and analysis.

Another systematic attempt to promote evidence-based policy and to improve research and policy-making capabilities is the ‘Campbell Collaboration’ – it asks the threshold questions: what helps? what harms? based on what evidence? The Campbell Collaboration, or C2 as it is known, was formally established at a meeting at the University of Pennsylvania in 2000. Like the policy hub, it is an online resource, and contains systematic reviews of research evidence prepared and maintained by contributors to the C2 Coordinating Groups.

Coordinating groups are responsible for helping to identify topics for systematic review, for providing reviewers with advice on planning and executing reviews, and for making reviews accessible. The C2 Crime and Justice Coordinating Group is hosted by the Australian Institute of Criminology. The group comprises an international network of individuals that prepare, update and disseminate systematic reviews of high quality research conducted worldwide, on reducing crime and delinquency or to improve justice.

I think it is worth going through the nine key principles on which the work of C2 is based. These are:

1. Collaboration, by internally and externally fostering good communications, open decision-making and teamwork;
2. Building on the enthusiasm of individuals, by involving and supporting people of different skills and backgrounds;
3. Avoiding unnecessary duplication, by good management and co-ordination to ensure economy of the effort;
4. Minimizing bias, through a variety of approaches such as abiding by high standards of scientific evidence, ensuring broad participation, and avoiding conflicts of interest;
5. Keeping up to date, by a commitment to ensure that Campbell Reviews are maintained through identification and incorporation of new evidence;
6. Striving for relevance, by promoting the assessment of policies and practices using outcomes that matter to people;
7. Promoting access, by wide dissemination of the outputs of the Collaboration, taking advantage of strategic alliances and by promoting appropriate prices, content and media to meet the needs of users worldwide;
8. Ensuring quality, by being open and responsive to criticism, applying advances in methodology and developing systems for quality improvement; and

9. Continuity, by ensuring that responsibility for reviews, editorial processes and key functions is maintained and renewed.

They are a good set of principles. C2 is an interesting initiative, as is the policy hub.

In New Zealand, the social policy agencies are getting together to work on longer term policy directions.

I wonder whether these might be the sorts of systematic approaches to bringing research together for use in policy-making that we need to consider here in Australia.

In addition to strengthening our capacity for research and analysis in the APS, there is, in my view, a need to sharpen the pointy end of the policy process – to really develop the policy advising function. Michael Keating says that through the 1970s and early 1980s both the Labor and Liberal parties felt their intentions were being frustrated – or even deliberately obstructed – by an unresponsive public service, that thought it knew best. This was, he says, the impetus for governments to look for policy advice elsewhere.

There cannot be much doubt that we have moved on from there – some would say we have now moved too far – but I think we need to ask whether it is enough to be responsive as it is commonly understood – to respond readily – or whether we need to be more strategic about it. I would suggest the latter.

But what do I mean by strategic in this context? What I am getting at is captured well in the Commission’s APS Values and Code of Conduct in Practice: a guide to official conduct for APS employees and Agency Heads. Responsive employees, it says:

- are knowledgeable about the government’s stated policies;
- are sensitive to the intent and direction of policy;
- take a whole-of-government view;
- are well informed about the issues involved;
- draw on professional knowledge and expertise and are alert to best practice;
- consult relevant stakeholders and understand their different perspectives;
- provide practical and realistic options and assess their costs, benefits and consequences;
- convey advice clearly and succinctly; and
- carry out decisions and implement programs promptly, conscientiously, efficiently and effectively.
It continues to say that responsive policy advice is frank, honest, comprehensive, accurate and timely. It is well argued, creative, anticipates issues, and demonstrates an appreciation of the underlying intent of government policy. It is forthright and direct, and does not withhold or gloss over important known facts or ‘bad news’. It demands a close and cooperative relationship with ministers and their employees and it is an iterative process. In total, it is a big ask for public servants.

Research for the upcoming Management Advisory Committee report on Managing and Sustaining the APS Workforce, paying particular attention to graduate recruitment and career development shows that graduate programme entrants and entrants at the APS 3-4 level are progressing to the EL1 level within about 7 years. This is not a very long apprenticeship for developing the sometimes sophisticated skills and instincts needed for policy advising. It requires really good judgement and broad shoulders – to handle the disappointment when your advice is rejected and to know the sorts of questions to ask to understand why; to know when the time for persuasion and influencing is past, and when it is time to move on; and to know when to resurrect a policy whose time has come.

**Dependent Spouse Rebate**

I cut my teeth as a policy advisor on successive governments’ families and income support policies in the 1980s and 1990s.

The overhaul at that time of the tax/transfer system for families in Australia, and in particular the removal of the Dependent Spouse Rebate – which I had a hand in – is an example of the sort of complicated and interacting sets of policies that we have to deal with, that demand the sort of sophisticated skills I have outlined – and where a good policy had to wait.

The Dependent Spouse Rebate was introduced in 1936 and was predominantly received by husbands through the tax system. It was consistent with the dominant social expectation that the male was the only breadwinner and head of the household.

However, by the 1970s, social change and particularly the acceptance – at least rhetorically – of notions of gender equity, together with rising concerns about family poverty, generated support in the bureaucracy and in areas of the community for change to the tax/transfer system for families.

In 1975, the Commission into Poverty recommended, among other things, that the Commonwealth government abolish regressive tax deductions to alleviate poverty in large families. Transfer payments through the social security system were viewed as a better means of mitigating poverty. The Whitlam government made some changes to tax relief for families, but the rebates remained in place.
In 1976 the Fraser government abolished the dependent children rebate and used the savings to increase transfer payments for families, which were renamed Family Allowance. The Dependent Spouse Rebate survived.

In 1986 the Social Security Review recommended wide ranging changes, including that family payments should be paid to the principal carer, usually the mother, and that transfer payments rather than tax measures were the more effective means of achieving this.

Despite strong support for this policy approach it was not until January 1993 that all children’s payments in the social security system were made to the principal carer. This increased payments to about 200,000 women in welfare dependent families. For those of us officials in Social Security at the time this was regarded as a really significant reform, and long overdue.

The Dependent Spouse Rebate, paid through the tax system, was really contrary to what was happening with income security transfer payments more broadly. Yet it survived, despite contrary policy advice. We continued to put it onto the table though, and in September 1994 the Home Child Care Allowance replaced the Dependent Spouse Rebate for families with children. It acknowledged, at last, that women were not liabilities of their husbands and that work in the home and as carers had direct economic value.

The point I want to make here is that policy exists in a specific context – it is dependent on a whole range of factors – competing priorities, fiscal constraints, the electoral cycle, presentational issues, even the strength of your Minister, and timing. It is complicated.

The GST, a policy we are now probably more familiar with, illustrates the point too. Keating could not make it happen. And, after John Hewson took it to the electorate and lost the unlosable election, most of us probably thought we had heard the last of the GST. But, clearly, the policy advice from the bureaucracy and Prime Minister Howard’s political will for a consumption tax remained. It was a policy that, it would seem, needed a few outings before the electorate were comfortable with it – the timing needed to be right.

Finally there is also an onus on those of us who are senior leaders in the Australian Public Service to make sure our employees have the capabilities they need to carry out good policy advising – good policy outcomes, do, after all, depend on it. What this demands is a really focussed strategy for developing specific capabilities in this area. An initiative worth exploring is partnerships between agencies to attract, develop and retain staff. A partnership of the social policy agencies, for example, could collaborate to attract, develop and retain staff. They could provide opportunities for staff to develop breadth and depth of experience by offering career pathways where staff move on a planned basis.
across say FACS, Health, Centrelink and the HIC. With each move, staff would gain experience in all facets of social policy, including policy advising.

The upcoming Management Advisory Committee report on Managing and Sustaining the APS Workforce, paying particular attention to graduate recruitment and career development, which I referred to earlier, will include other suggestions for developing our capabilities – not just for research and policy, but for all areas of our business. I think we need to canvass all the options, because if we do not get it right we really have to ask ourselves whether we are doing the job we are here for.

**Conclusion**

So to conclude, my main arguments in this lecture are:

- firstly, the APS operates in a contestable policy environment, and it is imperative that we use our advantages – our breadth, our institutional memory and our history of work in the public interest – and that we use them to get the best policy outcomes we possibly can for the Australian community;
- secondly, the best way we can do that is to really get on board with whole of government working, and to leverage off the good research and other work that is being done within and without the APS;
- thirdly, our capabilities are critical to the whole enterprise. We need to have the right people with the right skills in the right jobs; but
- most importantly, we need to have some passion to really make it fly.

I hope that I have managed in this presentation to persuade you of the need for new thinking about our approach to policy development and advice in the Australian Public Service – that, indeed, we need to reignite a passion for policy. The position of the APS in relation to policy is secure only as long as it maintains a reputation for impartiality, quality, integrity, evidence-based policy and for working in the national interest - in short, for being a professional public service. I hope this service will endeavour to foster that passion - for good public policy and for great policy outcomes for the Australian people.

**References**


