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## **The service delivery reform agenda for the Australian Commonwealth today**

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### **Abstract**

State governments in Australia have direct responsibility for the delivery of many public services, but the Commonwealth has increasingly looked to influence those services and their delivery, drawing on its revenue-raising capacity. The Commonwealth has also been steadily widening the integration of its own services, including social security and Medicare, to reduce complexity for people and to improve effectiveness and efficiency.

The states have been improving service delivery, identifying whole-of-government priorities and using technology to improve integration. Some have drawn on New Zealand experience with ‘social investment’ and wellbeing budgets to improve the social and economic outcomes for disadvantaged groups.

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A 2019 review of the Australian Public Service recommended further measures to improve service delivery, including by integrating Commonwealth and state programs and building on the work of one of the states. Commonwealth governments have indicated their willingness to explore such an agenda which, while involving an idealistic vision, represents a practical call for governments in the federation not to be limited by jurisdictional interests or overwhelmed by the complications of federalism but to experiment with shared data, regional trials and investments in technology. There are new opportunities to seize, but also significant risks to be managed.

**Keywords:** service delivery; public sector reform; Australian Commonwealth Government; user complexity.

## Introduction

Service delivery is a major priority of government in Australia, both at the state/territory and the Commonwealth or federal level, and it has been for decades.

Five themes recur over recent decades: how to put people rather than organisational convenience at the centre of service delivery; managing complexity—in terms of the different needs of different people, the range of services available and the administrative arrangements that underpin them; the impact and promise of new technology; grappling with different cultures and siloes in public administration; and the interaction of the different levels of government in the federation, with their varying legal responsibilities, policy and political priorities and approaches to service delivery.

This chapter outlines how the service delivery agenda has evolved at the federal level in Australia. It starts with the constitutional and legislative responsibilities for service delivery in the federation, and the different emphases of state/territory and Commonwealth public administration. It traces through three decades of determined Commonwealth effort to refocus service delivery on the people served and to reduce complexities, while grappling with rapidly changing technology and a broadening of policy responsibilities. It argues that New Zealand and particular states in the federation, especially New South Wales, have influenced recent Commonwealth approaches to service delivery.

The Commonwealth Government's 2019 Independent Review of the Australian Public Service highlighted the enormous opportunity to improve service delivery offered by digital transformation, big data, closer and real collaboration with the community, stronger connections between government agencies, and improved capability within the Australian Public Service (APS). The Morrison Government's response to the review stressed better services, getting delivery right and connecting the APS to all Australians as key elements of its priorities. This response was actioned most notably by the creation of a new agency, *Services Australia*, to better coordinate and improve service delivery of Australian Government services and improve outcomes.

The chapter also explores the impact of the COVID-19 pandemic—in accelerating reform of service delivery, broadening the number of Australians who rely on Australian Government services, rapidly expanding data to inform evidence-based decision-making and service delivery, and reorganising the work arrangements of public servants to flexibly meet the public's needs.

The chapter closes by noting the challenges in achieving service delivery reform and three emerging opportunities or challenges for the next decade of service delivery. The first is further integrating Commonwealth and state/territory service delivery to better meet the needs of individuals, especially those at high risk. The second is working with and utilising private sector technology, service providers and data to improve outcomes for people. Neither of these opportunities will happen without resolve and planning, and each has its challenges. The third is to learn from policy failures and retain human oversight and judgement, ethics and independent scrutiny and transparency in the use of technology and data.

## **Some institutional background on service delivery**

It is useful to start with two bits of background that help explain the priorities and trends in service delivery in Australia.

First, the services provided by government are extensive and diverse, and different services are provided by different levels of government in the Australian federation.

At the Commonwealth or national government level, the main services provided or directly funded are social security pensions, benefits and allowances, universal health insurance (Medicare), aged care and disability services, child care, employment services, Indigenous support services and migrant services—and defence and taxation. At the state or territory government level, the main services are the provision of public hospitals and schools, public transport and roads, police and emergency services, water and energy, and courts and justice. At the local government level, the main services are local-area property services including local planning and roads, stormwater services, parks and garbage collection. States and territories do have some independent sources of revenue, such as property and transaction taxes, but they depend heavily on the federal government for specific and general-purpose payments, which allows the Commonwealth to take a direct interest in state and territory expenditure.

The scale of Commonwealth funding of services is significant. For example, over the past two decades, Commonwealth Government expenditure has averaged 25.1 per cent of GDP (noting that total Commonwealth, state and territory government expenditure has averaged about 35 per cent of GDP). Commonwealth Government expenditure rose temporarily to 32.9 per cent of GDP (ABS 2022; see also Hawkins n.d.) in 2020–21 due to the government's response to the COVID pandemic, largely because of increased need for government financial support services.

Second, the states and territories have traditionally been at the heart of service delivery in Australia but the federal government has played a growing and influential role in the postwar period. This distinction is most clearly seen in the legislation that establishes the public service at the state level and at the Commonwealth level.

The *Government Sector Employment Act 2013*(NSW) (the GSE Act),<sup>2</sup> for example, includes not just those in general state administration but police and teachers, nurses and doctors in state institutions. The first purpose stated in the objects of the GSE Act is a government sector 'that is efficient and effective in serving the Government in the delivery of services to the people of NSW' (section 4(a)(i)). The Act then sets out values and institutions to ensure and govern this. The establishing legislation in other states is similar, starting with service delivery in setting out the responsibilities of the public service.

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2 Available at: [legislation.nsw.gov.au/view/whole/html/inforce/current/act-2013-040](http://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2013-040).

By way of modest contrast, the *Public Service Act 1999* (Cth) that governs the APS is couched in high-level terms of establishing ‘an apolitical public service that is efficient and effective in serving the Government, the Parliament and the Australian public’ (s 3), with specified values around being committed to professional, objective, innovative and efficient service, being ethical, being respectful, being accountable and being impartial (including in giving frank, honest, timely and evidence-based advice) (s 10). The word ‘service’ occurs 65 times in the Commonwealth Act but the term ‘service delivery’ appears only once, in s 35(3)(iii) in relation to the capabilities of senior officers.

In Commonwealth public administration, service delivery is positioned along with other priorities like policy advice, program delivery, professional expertise and regulatory administration. In state public administration, service delivery is typically the fulcrum. This does not mean that service delivery is unimportant, or less important, at the federal level. The Commonwealth provides significant funding for state services, which gives it leverage. The Commonwealth’s policy interests and its own priorities have steadily expanded. The Commonwealth has grown as a major provider of services through the tax and transfer system and as a key funder and regulator of areas such as aged care, early childhood education, private schools and universities, which overlap with the states’ interests in direct service delivery. Indeed, as outlined below, recent federal governments have placed increasing emphasis on service delivery.

## **Three decades of trying to reduce complexity in government services and improve outcomes**

The ever-expanding range of government services and the need for different forms of delivery—from face-to-face contact, call centre queries or internet-based transactions—have increased complexity for users of those services. Governments have long recognised this and sought ways to reduce complexity, improve the effectiveness of services in improving the lives of people, and find efficiencies.

An early step to reduce user complexity, improve outcomes and seize efficiencies was to identify key services within a jurisdiction and bring them together in a single delivery agency. At the federal level, the establishment of Centrelink by the Howard Government in 1997 was a major, and exciting, step forward.

The establishment of Centrelink reframed both service delivery and social policy in Australia (Halligan 2008), by creating a standalone agency with the mandate to deliver family, retirement, disability, youth and employment payments and services to the eligible public on behalf of the social policy departments of state (Halligan 2008). By the mid-2000s, Centrelink operated 320 service centres for 10 million Australians with annual payments of about AUD60 billion, and it did so through service provider agreements with 25 government agencies.

The integration and professionalisation of government-provided welfare payments and services was an opportunity to focus more holistically on the individual and their needs, as well as to strengthen public sector governance by the use of broad-based decision-making boards and explicit service delivery mandates (such as Business Partnership Agreements). Terms like ‘tell your story once’, ‘personalised service’, ‘customers’, ‘citizen-centricity’ and ‘service delivery based on life events’ abound in Halligan’s history of Centrelink (*The Centrelink Experiment: Innovation in Service Delivery*, ANU Press 2008). Their use points to the social policy priorities of the day, an ever-increasing focus on delivery as part of effective policymaking, and a major driver of cultural change within government departments and agencies. These terms have been in regular use and continue today (although sometimes it feels that the people using them have discovered them for the first time).

Over time, the imperative was to integrate a broader range of Commonwealth services. For example, independent entities like Centrelink (for welfare services and payments) and Medicare Australia (health services and payments) were brought together under a Department of Human Services in October 2004. The service brands were retained as agencies attached to the department with some autonomy and they were subject to policy oversight by lead policy departments—like the Employment Department and Social Services Department for Centrelink or the Health Department for Medicare.

The pressure for better integration in service delivery by the Commonwealth Government has continued over time, with steps taken including:

- steadily co-locating the various delivery agencies to enhance the customer/client experience and increase operational efficiency,
- reducing the autonomy of individual delivery agencies (whose leadership might resist changes that it did not agree with) and increasing consistency between constituent agencies (this included later merging the agencies into the Department of Human Services),
- lifting cooperation between policy departments that lead the various service delivery functions, including through committees of relevant portfolio department heads and Cabinet committees, and with the minister for human services sometimes being a member of the Cabinet,
- broadening service delivery mechanisms, especially by expanding call centres (staffed by trained professionals who could address multiple inquiries) and by direct internet transactions through the creation of a single government internet portal, My.Gov.au,
- using technology and client data better to deliver services and understand needs and demands,
- focusing more on the social and economic outcomes of clients, with people-centred policy and budget processes being used to drive a policy agenda by which government services are viewed and delivered holistically for the individual, and
- the creation of a Digital Transformation Agency in 2016 to lead transformation across the Commonwealth public sector, including in service delivery, and the first whole-of-government digital strategy in 2018.

While these changes have been important, their impact has been less than hoped for because of the sheer complexity of the social welfare payments and information system. This system has grown over decades, often built on legacy technology and software that has become out of date, could not interact with other parts of the system and periodically just broke down. To quote an article from 2016:

Overhauling the welfare payments legacy system is a labyrinthine undertaking and an incredibly sensitive task. There are 30 million lines of code to disentangle and 40 different core payments, along with 38 add-ons. (Sanson 2016)

With this concern in mind, the Commonwealth Government announced a billion-dollar seven-year program in 2015 to completely overhaul the social welfare payments system—the Welfare Payments Infrastructure Transformation (WIPT)—for a contemporary online claims, processing and services. Such transformation takes time and care. To quote from the same article:

Delays or stuff-ups could affect the benefit payments of millions of people, many of whom might be vulnerable and living hand-to-mouth, and work must also be managed so that it can be rolled out gradually while keeping the current system going.

WIPT is delivering but is still in process in 2021 (Services Australia 2022).

The need for deep change in service delivery was a recurring theme in the 2010s, motivated by restatements that the deeper purpose of government service delivery is to improve the quality of people's lives. The imperative for citizen-centred government was a main philosophical drive in the *2010 Blueprint for the Reform of Australian Public Administration* (AGRAGA 2010), prepared for Prime Minister Rudd. The first of four reform priorities identified in that report was 'forging a stronger relationship with citizens through better delivery of services and through greater involvement of citizens in their government'. A longer quote shows the mood of the time:

First, a world-class public service must meet the needs of citizens by providing high quality, tailored public services and by engaging citizens in the design and development of services and policy. In an era of rapid technological advancements, customers expect greater service quality from the public sector, just as they expect it from business.

At the same time, advances in information technology enable governments to not only deliver services in a more citizen-friendly manner, but to incorporate citizens' ideas and perspectives into service delivery.

There are also opportunities to improve the way the APS incorporates non-government expertise and citizens' views into the design of services and policy. (AGRAGA 2010:8)

An early and strong *political* expression of this mood occurred in New Zealand, where the John Key–Bill English National governments in the 2010s focused explicitly on service delivery as a form of social investment to drive outcomes that improve the lives of New Zealanders, quantified and



measured transparently against data. This was extended and institutionalised in the Jacinta Ardern Labour Government's Wellbeing Budgeting from 2017. In one sense, this reform is more straightforward in New Zealand because it has a unitary system of government with a single house of parliament, unlike Australia's federation, overlapping roles and responsibilities between the Commonwealth and states, and two houses of federal parliament. Yet it also shows a willingness in New Zealand to try new approaches to framing and implementing policy, and perhaps too often in Australia using the complications of federalism as an excuse not to try an idea.

The impact of these approaches from New Zealand on Australia was most obvious at the level of the states and territories, in terms of both major policy reform and institutional reform.

Consider the example of New South Wales, Australia's largest state.

The NSW policy reform over the last decade has been centred on the Premier's Priorities—the explicit identification of a small number of outcomes, around 10, that really matter to people in the state, with extensive reporting, transparency and accountability, and backed by new data enabled by digital technology. These captured the personal preferences and values of the premier of the day, as the premiership passed from Barry O'Farrell to Mike Baird to Gladys Berejiklian. Mike Baird had 30 priorities—including reducing domestic violence, reducing reoffending, improving school education attainment outcomes, reducing childhood obesity and reducing wait times in hospital emergency rooms—with a live reporting dashboard (Nicholls 2015).

The institutional reform that accompanied the policy reform was to bring state service delivery into one agency, Service NSW.<sup>3</sup> Premier Barry O'Farrell announced the creation of a single state service delivery agency in June 2013, with the purpose of integrating all state services in one institution delivered with a deep culture of customer service (Service NSW n.d.). These institutional changes were followed up in July 2019, after the return of the Berejiklian Government, with the creation of a mega Department of Customer Service, a central agency—that is, a department of state on par in status with the Premier's Department and the Treasury Department—with the express mandate to establish the customer at the centre of *all* NSW

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3 See: [www.service.nsw.gov.au/about-us](http://www.service.nsw.gov.au/about-us).

government programs and initiatives, deliver the digital experience, and use data and behavioural insights to improve customer experience. It was accompanied by a reduction in the number of government departments.

These changes set the scene for further changes in service delivery by the Commonwealth Government and, indeed, what may happen at the national level of government over the next few years.

## **The Government's APS reform agenda: Delivering for Australians**

Prime Minister Turnbull commissioned an Independent Review of the Australian Public Service, led by David Thodey, in May 2018, to ensure that the APS is fit for purpose for the coming decades (IRAPS 2019).<sup>4</sup> The terms of reference of the review were wide ranging, motivated by a sense of deep change in the world and of the opportunity from digital technology and data to transform the way government works and serves the Australian people. The report was delivered in September 2019 to Prime Minister Morrison, and the government's response was released in December 2019.

The Thodey Review stressed that the Australian people must be at the centre of how the APS performs its legislated obligation to serve the government, the parliament and the public. The review's analysis and recommendations highlighted the enormous opportunity to improve service delivery offered by digital transformation, big data, closer and real collaboration with the community, stronger connections between government agencies, real cooperation between the Commonwealth and state and territory governments, and improved capability within the APS. These are a contemporary statement of recurring themes of public administration reform over the decades, and indeed they echo key aspects of the seminal 1976 Report of the Royal Commission on Australian Government Administration (Coombs Review) and subsequent reviews.

The Thodey Review specifically recommended that the government deliver simple, seamless people-focused government services, integrated with states, territories and other providers. It outlined what that would involve and provided implementation guidance. This recommendation is set out in full

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4 As well as David Thodey, the independent panel included Glyn Davis, Belinda Hutchison, Maile Carnegie, Alison Watkins and Gordon de Brouwer, the author of this article.

in Appendix 1. The review drew on the rich history and themes of service delivery of past decades. The Review Panel was motivated by the success of NSW's experience, advances in technology and data, and a sense that political will to cooperate could change the quality of people's experience of government services. Service delivery could—and should—be based on the needs of the individual rather than the idiosyncrasies and particularities of the federation and of departmental structures at each level of government; the opportunity cost of not moving to fully integrated service delivery is just becoming more and more obvious.

This was always understood to be an idealistic vision, and it was meant by the Review Panel to be a call to governments in the federation not to be limited by jurisdictional interests or overwhelmed by the complications of federalism in thinking about the interests of their people. The vision was by no means thought to be easy. The panel was very aware of the fact that the Abbott Government in 2014 had commissioned work to streamline the federation to make it more workable only for that work to disappear because it proved too difficult. Jurisdictions in the federation (although less so for territories) are constitutionally sovereign entities with enshrined rights and responsibilities, and have inevitable—and often entirely proper—differences in perspective and priority. The intention of the Review Panel was to encourage, within that complex system, public servants and ministers to experiment and work out ways to strengthen cohesion in service delivery by different levels of government to people in a particular place. The fact that Service NSW, for example, typically holds Services Australia documentation for its clients raises the question of whether the state and federal systems could be better integrated digitally, in call centres or in particular locations. The implementation path set out by the Thodey Review focused on small steps and regional trials in integration between like-minded jurisdictions, to build trust and confidence and test whether integrated systems could work in practice: small steps could lead to material changes in the experience people have of government.

The Review Panel highlighted the NSW experience. In part, it did so because the Commonwealth and NSW governments were both centre-right (Liberal–National Coalition) governments with a prime minister from NSW. But it was also because NSW is the jurisdiction seen to be doing the most on improving how people and business experience government. The focus on NSW was not intended to understate changes in other states and territories. Indeed, the focus on people being at the centre of service delivery has been a theme in all centre-left (Labor) led state and territory governments.

The review had other recommendations about investment in technology and capital, data, governance and administrative arrangements, and capability and skills necessary to achieve this vision of integrated people-focused service delivery. Many of these have pursued in some form.

The Morrison Government's statement on APS reform clearly set out its priorities. The title of the document, *Delivering for Australians* (DPMC 2019), put the focus fair and square on service delivery. In May 2019, the government announced it would replace the Department of Human Services with a new entity, Services Australia. At the same time as it released its statement on the public service, the government also announced a reduction in the number of government portfolio departments from 18 to 14 and that Services Australia would become an executive agency within the Social Services Department. Services Australia formally replaced the Department of Human Services on 1 February 2020.

Looking at the agenda on service delivery, there are two key observations to be made about the contemporary mood.

First, while the Morrison Government expressly affirmed the role in the Westminster system of parliamentary democracy of the public service providing advice on policy and administration, it gave significantly more prominence and priority to service delivery—and certainly more than is stated in the Public Service Act as outlined at the start of this article. Indeed, three of the six main themes in the government's statement—'Better Services', 'Getting Delivery Right', 'Connecting the APS to all Australians'—are about service delivery, and one of the six—'Adapting to Change'—is about the digital transformation required to achieve that.<sup>5</sup> It stated that the 'Government respects the experience, professionalism and capability of the public service, both in policy advice and implementation' but that it is 'Ministers who provide policy leadership and direction' (DPMC 2019:4). This was consistent with the prime minister's public address on 1 February 2021 that 2021 was all about delivery.

Second, the Commonwealth Government's approach drew heavily on the highly successful NSW approach, from the entity's name and focus on people to the reduction in the number of government departments designed to improve coordination. While Prime Minister Morrison reduced the number of departments, however, he did not reduce the number of

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5 The other two themes are 'Clear Roles and Priorities' and 'Reinforcing Integrity'.

ministers or the size of the Cabinet as NSW did, meaning that some departments have multiple ministers and coordination is a major challenge. Indeed, some departments have seven or eight ministers, some with similar Cabinet seniority but different political and policy views, making advising, implementing and accountability very difficult.

It is also worth noting that Services Australia was established as an executive agency under the Public Service Act rather than as a statutory agency under its own legislation. This gives the minister significantly greater direct influence over its operations. The establishment of an executive agency does not require legislation, so the objects or purposes of the body are not set out in legislation but are policy decisions of the minister. Moreover, the head of an executive agency can be appointed or terminated by the responsible minister at any time (and only requires ‘a report’ by the relevant secretary on the matter), which can only make the agency head more responsive to the minister’s immediate interests and views. Just as service delivery has more profile and greater priority, the government also has more direct influence and control over it.

Services Australia being an executive agency may serve the immediate interest of the government in ensuring it gets what it wants in terms of service delivery but it risks weakening capability over time. First, it might make senior public servants more cautious in providing advice that a government does not want to hear and hence manage risks less well and undermine intended outcomes and the government’s standing. And, second, because the purposes of an executive agency are not grounded in legislation, they can change over time, even subtly and without transparency, and so it is harder to ensure accountability to the parliament, which increases the risk of policy and implementation mistakes.

## **Impact of the COVID-19 pandemic**

The pandemic has had four significant impacts on service delivery.

First, a lot more people, and more people from across different parts of society, have come to depend on government services and income support. Before the pandemic about half a million people in a workforce of 13 million were unemployed, and the policy focus was often preparing and encouraging them to work (the unemployment benefit previously known as Newstart was renamed JobSeeker in 2020). This rose to about 1¼ million

people in the first half of 2020 as parts of the economy shut down. The number receiving support is much bigger if people whose job was funded by special pandemic wage subsidies (under a program called JobKeeper) are included, with a peak of 3½ million people receiving that wage subsidy at some stage (Hayne 2020). Recovery was initially strong but periodic lockdowns and sustained national border closures mean that the economic hit in hospitality, tourism and education continues to be hard, including for many small businesses which are typically self-reliant. This all means that the general experience of, and need for, government services has been and remains much wider than before. It perhaps also conditions a more positive view about people's need for government services rather than as reflecting unacceptable behaviour such as shirking work and social responsibilities.

Second, the pandemic really shifted the game in the value and appreciation of data. The sheer diffusion of digital technology means that there is now data about most social and economic interactions, and that data can be used to understand almost in real time what is happening, who needs what, who is doing what, and what the impacts are.

Consider a few examples. The government used an integrated data methodology (the Business Longitudinal Analysis Data Environment, BLADE)<sup>6</sup> to bring together data on Australian businesses using business surveys, regulatory information and tax payment data, along with private data provided by banks, accounting software providers and others, to understand the impact of the pandemic on Australian business. Similarly, the government brought together a wealth of social services program and other data together in the Multi-Agency Integrated Data Project (MADIP) to understand the impact on individuals, for use by officials and academics.<sup>7</sup> At the same time, intergovernmental bodies like the Australian Institute of Health and Welfare were invaluable in assembling data on physical and mental health from Commonwealth and state government agencies to give an almost real-time picture of people's health to inform weekly meetings of National Cabinet (the forum of the prime minister, state premiers and territory chief ministers).

6 See [www.industry.gov.au/data-and-publications/business-longitudinal-analysis-data-environment-blade](http://www.industry.gov.au/data-and-publications/business-longitudinal-analysis-data-environment-blade).

7 See [www.abs.gov.au/websitedbs/d3310114.nsf/home/statistical+data+integration+-+access+to+blade+and+madip+data](http://www.abs.gov.au/websitedbs/d3310114.nsf/home/statistical+data+integration+-+access+to+blade+and+madip+data).

For service delivery, data access and integration mean that not only can a person's various needs be better understood, but that data analysis can inform what works and what does not, and how the specific needs of a person or community can best be addressed. Good data and data analysis can be directly useful to ministers and governments.

There is a huge work agenda developing around the collection of data, protecting the privacy and security of data and information (including developing technology and techniques such as homomorphic encryption that enable analytics on still-encrypted big data), sharing data for analytic and policy purposes, developing data relevant to priority policy outcomes rather than just transactions, sharing data between different jurisdictions (both nationally and internationally), and sharing data between government, business and non-government entities like universities. In Australia, the creation in 2020 of a Data Profession within the Australian Public Service, led by the head of the Australian Bureau of Statistics, and of a Digital Profession, led by the head of the Digital Transformation Agency, represents a significant advance in developing links, relationships and capabilities. And the *Digital Availability and Transparency Act 2022* (Cth) is a major step in enabling consistent data sharing, added safeguards for privacy and abuse of data, and authority and a legal framework to share data between entities.

Third, governments' responses to the pandemic required agility and flexibility from the various public services, and the sense is that they generally responded very well. Flexibility is evident in two ways. The demand for Commonwealth government services rose, and so staff were moved from policy, program or other operational areas into service delivery—about 2,500 Commonwealth public servants shifted to service delivery in Services Australia, which has a workforce of about 30,000. This was overseen by a coordinating committee of departmental chief operating officers led by the Australian Public Service Commission and the Prime Minister's Department. Flexibility was also shown in the ability of the public service to continue to operate effectively across the range of government activities even when workplaces were closed or had heavily restricted access, with many public servants continuing to do their job—and do it well—from home. The ongoing issue is retaining that flexibility in the public service.

Fourth, the rise in Australians' trust through the pandemic in public institutions—government, media, non-government bodies and business—has been remarkable. According to the 2021 Edelman Trust Barometer, the Australian public has shifted from being characterised as 'not trusting'

(47/100) in institutions in January 2020 to ‘trusting’ (59/100) in January 2021, with Australian recording the largest rise in trust among the 27 countries surveyed (Edelman n.d.). Trust in government in Australia rose a staggering 17 percentage points, from 44 to 61 per cent of people sampled—along with an 8-point rise for NGOs, 11 for business and 12 for media. In terms of trust in government, Australia is similar to Canada, Germany and Malaysia. This rise in trust is important, not just as a signal of a shift towards a more cohesive and functional society, but because it provides a strong basis on which government can work with the public in delivering services, especially those that rely on the use of personal data from a range of sources for their effectiveness. The caution is, of course, that trust can be lost. One of the novel features in 2021’s Edelman analysis is that trust in many governments around the world rose at the start of the pandemic but was often lost mid-2020 when they lost control in second and third waves.

## Locking in the gains and some next steps

It is clear that service delivery matters and that there is a deep and active work program on service delivery.

In thinking how service delivery evolves, there are three further issues that are worth raising.

The first is articulating and achieving the vision of effective service delivery. The emphasis on outcomes rather than just processes is welcome. Government services are ultimately about protecting and improving the lives of people. Various levels of government in Australia provide an array of services to the Australian people, and the vision articulated in the Thodey review remains that the complexity of federalism and of the structures of government at each level should not themselves be impediments to the quality and experience of service delivery to people (and businesses).

With technology where it is now, it is a political choice of governments in the Australian federation whether they ensure seamless, one-stop service provision to people or not. The use of National Cabinet—bringing the prime minister together with state premiers and territory chief ministers as the key national decision-making body in the pandemic—has shown that cooperative federalism *can* work and has inspired a new level of cooperation.



Single, unified and quality service delivery for people, regardless of jurisdiction, may be one way to achieve the vision of people being at the centre of service delivery by government.

A critical issue about integrated service delivery between the states and Commonwealth is whether there is political incentive to do so. The general assumption is that integrated service delivery would be led by the state or territory delivery agency, given the very wide range of state services and the proximity of a state to people. In this case, what is the incentive for a Commonwealth Government minister to give the kudos away for successful service delivery to its state equivalent but typically be blamed when things go wrong because they have not provided enough funds to the state? In short: no upside, all downside. In reality, however, ministers can create a political incentive. Part of the deal in agreeing to a system of integrated service delivery is that the Commonwealth Government sets (or leads in setting) some of the desired policy outcomes, something for which it can get direct credit. One of the lessons learned from Australia's experience with COVID-19 is that the public expects both levels of government to work together and rewards both levels for cooperating.<sup>8</sup> It may be a viable political strategy for a Commonwealth minister to take a leading role in setting national policy objectives and hold the state to account. For the state to want to be the key integrated service delivery agency, it would have to be adequately financially resourced and know that funding was enshrined in Commonwealth–state financial arrangements and sustained.

The second forward-looking aspect that could drive better delivery of government services is the potential offered by business and not-for-profit institutions. During the pandemic, a range of businesses that hold significant data provided that de-identified data to inform government about what was happening. These businesses included banks, supermarkets, telecommunication companies and business services companies. Being able to integrate private data with de-identified government data (including personal and business tax and transfer payments) meant that government decision-makers could understand much better what was happening. This is just the start of the use of private data in enabling better delivery of government services.

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<sup>8</sup> This is one interpretation of the Australia and New Zealand School of Governance finding that Australians generally trusted both the Commonwealth and state/territory governments' response to the COVID-19 pandemic the same during 2020. See Goldfinch et al. (2021).

There are opportunities to make better use of an individual's own data to improve government service delivery and policy outcomes, particularly to benefit the individual. Data-driven experiences across the public and private sectors could create significant benefits for people and governments. Private companies can help bridge gaps in service delivery between the Commonwealth and state and territory governments and reduce administrative burdens on citizens. A powerful example is the Benefits finder facility of the Commonwealth Bank of Australia (CBA), one of the big four private commercial banks in Australia.<sup>9</sup> The *Benefits finder* uses data to make it easier for customers to access government support. It organises and personalises hundreds of government benefits in one place and makes it easy to claim. It has resulted in more than 1 million new claims since its launch in September 2019. The CBA estimates that its customers accessed an additional AUD481 million through the facility in the year of the pandemic, and a 45 per cent improvement in satisfaction with government and the CBA.

Many banks capture and use an incredible amount of rich data to provide a valuable and secure banking service. This includes identity checks, geolocation and home address, utilities, concession cards and payments, financial status, family status and business ownership. The *Benefits finder* uses these attributes to match customers to government rebates or benefits based on eligibility criteria and probability, as well as to alert them to urgent support available in the event of a natural disaster in their geographical location.

Use of this innovative data leads to benefits at the customer/person level by reducing uncertainty and effort and improving outcomes. It also speaks more broadly to the huge potential of sharing data to help improve effectiveness in delivering better public services to save time and enable better access to financial support.

The potential benefits of working together go beyond faster policy response times, empowering individuals and saving them time and money. They extend to greater economic and social benefits, among which is improving the transparency and accountability of governments and partners for improved public trust.

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9 See [www.commbank.com.au/digital-banking/benefits-finder.html](http://www.commbank.com.au/digital-banking/benefits-finder.html).

Now may be an opportune time to build on sharing data insights, as the COVID-19 pandemic has meant more people than ever are aware of and attentive to service implementation, and policymakers continue to seek the best evidence to support their decision-making.

The point is that many companies have verified identifiers for their customers, secure systems and a real-time accurate understanding of their customers' personal and financial circumstances. This can be used to ensure well-targeted delivery of government services, as in *Benefits finder*. And it could be used to rapidly and accurately make emergency payments to eligible people and businesses in need in natural disasters or other extreme situations.

The opportunities for private data exist in many areas other than traditional human services. They are also powerful in areas like sustainable land, water and energy management. For example, Telstra, which is Australia's largest telecommunications company, and Microsoft operate a Data Hub to help customers address problems they face (von Reventlow 2019). These digital services range from water and agriculture, to medical services, and to energy, and can fit particular regulatory and information systems in different jurisdictions. In this sense, private digital services mean that differences across the federation matter less.

The third forward-looking aspect is to be prudently aware of potential downsides and unintended consequences in the use of technology to solve policy challenges. Judgement, ethics and transparency are essential in the use of technology and data.

The Commonwealth's experience with Robodebt is a sobering lesson in the poor, possibly unethical, use of technology (Whiteford 2021). Concerned about possible overpayment of social security benefits, the government in 2016 authorised the Department of Social Services to develop the Online Compliance Intervention program (and its successors), which used an algorithm to match an individual's declared fortnightly income to receive a benefit with their average fortnightly income from their annual tax return in order to identify possible overpayment. In the case of an income mismatch, an official letter was automatically sent to the individual, without review by the department, requiring repayment (subject to interest) unless the individual could show that they had not been overpaid. This approach was highly controversial: the methodology generates an income discrepancy when an individual's fortnightly income varies, which is common for people

in part-time or casual employment (a methodology later described by the Federal Court as ‘irrational’); there was no human scrutiny of decisions; the onus of proof was reversed and put on the recipient; and the vulnerability of individuals at risk was exacerbated—some recipients paid back money that they did not owe, some suffered personal trauma and shame, and some had suicidal thoughts and tragically some committed suicide. After various parliamentary and ombudsman inquiries, court cases, a class action against the government and media scrutiny, the Commonwealth settled and agreed in 2021 to pay AUD112 million in compensation, refund more than AUD751 million on 470,000 robodebts (373,000 people), and cancel outstanding debt of AUD398 million.<sup>10</sup>

The case raises serious questions about the use of technology without human checks, of decision-makers taking steps which in retrospect are contrary to the law, the quality and frankness of advice by public servants, the use of ethics in advice and decision-making, and the effectiveness of Cabinet decision-making processes in drawing out and understanding risks. In the lead-up to the 21 May 2022 federal election, the Opposition at the time announced it would hold a Royal Commission into Robodebt.

## Concluding comment

Service delivery has been identified as a priority for the Commonwealth Government for decades and it continues to be so. Indeed, service delivery is one of the primary areas in which the current government defines how it wants to be held to account and judged.

There are plenty of challenges in achieving this agenda. One is sustaining cooperation between jurisdictions in sharing data. Another is ensuring that technology works and that data are secure and safe. Another is avoiding unintended consequences that undermine the government being able to sustain delivery—for example, institutional design may seem arcane but the decision to make Services Australia an executive rather than a statutory agency risks it failing to give difficult advice to government and mistakes being made, loss of direction and weaker accountability for its actions.

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10 See the settlement arrangements at: [gordonlegal.com.au/robodebt-class-action/robodebt-settlement-faqs](https://gordonlegal.com.au/robodebt-class-action/robodebt-settlement-faqs).

There are new opportunities to seize. There is scope—perhaps substantial scope—to improve how people and businesses experience service delivery through greater cooperation between jurisdictions. This may include greater integration of Commonwealth and state/territory services, even in one-stop shops, be they physical or digital. Cooperation between jurisdictions in service delivery should lift standards, quality and outcomes and not result in a fall to lowest common denominator. There is also a lot of yet-to-be-tapped potential to work with the private and not-for-profit sector in service delivery, in a way that protects privacy and maintains market competition. Yet as policy failures like Robodebt show, technology and data must be used with human judgement and oversight, independent review and scrutiny, and contestability, ethics and transparency in advice and decision-making.

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## **Appendix: Recommendation 16 on service delivery from the Independent Review of the Australian Public Service, 2019**

### **Recommendation 16**

Deliver simple and seamless government services, integrated with states, territories and other providers.

Government to commission Secretaries Board, working with Services Australia and the DTA, to develop a 2030 roadmap for services delivery guided by core principles:

- people at the centre of service delivery
- a single access point to all government services, and
- seamless experience for all users of digital, physical or telephone services.

Secretaries Board to support preparation of a roadmap and submit it to Government by end 2020.

### **Implementation guidance**

- Prioritise, understand and address user pain points and expectations.
- Set ambition to integrate services seamlessly with other jurisdictions and private providers, and work collaboratively to get there. Provide a single digital access point with states and territories, with integrated call centres and storefronts playing a supportive role.
- Plan for a progressive roll-out, using trials and pilots.
- Focus first on simple, high-volume services then on more complex services including intensive case management. Over time integrate services for business and not-for-profit organisations, and areas such as natural resource management.
- Make product simplification part of the policy development process and use analytics to support policy and service design.
- Retain agency accountability for core systems and decision making, with detailed boundaries defined on a portfolio basis.

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