

# **BRINGING GOVERNMENT TOGETHER**

**Dr Peter Shergold, Secretary,  
Department of the Prime Minister and Cabinet**

**Speech delivered at the IPAA SA Connecting Government  
Conference – ‘Creating a Culture for Success’**

**Adelaide 8 April 2005**

I once said that Management Advisory Committee (MAC) will fail if its reports are quietly filed away under the heading 'read on a wet Sunday'. I take it as a measure of success that an entire conference has been organised by the Australian Public Service Commission (APSC) and Institute of Public Administration Australia (IPAA) SA to build on MAC's *Connecting Government* report. I am delighted that so many Commonwealth and State public servants are participating.

I have no intention of summarising the contents of all 254 pages of the report in 30 minutes. Instead I will attempt to give an overview of the important messages conveyed and to indicate my views on why MAC sees them as so significant.

I believe firmly that the need to build a whole of government approach to policy development and delivery is the single most challenging issue we face in public administration.

The fact is that most pressing problems of public policy do not respect organisational boundaries. Effective development of policy and efficient delivery of services remain hindered by organisational barriers, breakdowns in communication and segmented thinking. This at a time when so many of the challenges faced (increasing workforce participation, raising productivity, preparing for demographic change, ensuring national security) are long-term, 'wicked' in their complexity and 'unbounded' in their nature.

There are too many demarcations between those who work in national, state and regional offices; and between those who design, manage and deliver government programmes. As a result, policy is often insufficiently informed by the experience of those who deliver it.

There are too many silos between central, line and operational agencies. Often they fail to recognize that no-one has a monopoly on experience or wisdom.

There are too many ambiguities of role between jurisdictions in the crucial interstices of Commonwealth-State responsibilities for health, education, aged care, disability support and infrastructure development. We focus on jurisdictional cost-shifting: citizens listen and hear only blame-shifting.

In short, there is, in the arcane machinery of government, too little collaboration between the territories of officialdom. Indeed there is some evidence that the forces of separatism may be getting worse.

There is a tendency to bureaucratic fragmentation. In the APS we now have 18 Departments of State. That is the good news. The bad news is that they exert their authority alongside almost 180 other agencies of government. There are now 84 agencies operating under the Financial Management and Accountability (FMA) Act and 107 under the Commonwealth Authorities and Companies (CAC) Act. Some of the staff who are employed in these agencies work under the Public Service Act. Others do not. There is no coherent basis for these distinctions.

Overall there are now 955 'Australian Government Bodies'. They possess varying levels of statutory independence. Many have boards or advisory councils that wield different levels of authority. Some have stakeholder ministers or are subject to Ministerial direction. Some government programmes are delivered by public sector agencies: others are delivered, under contract management, by a competitive network of public, private and not-for-profit organisations. Too often lines of authority and accountability are opaque.

The devolution of management to agency level has brought improved performance in the last decade. As agencies have taken responsibility for the organisation of their human, financial and IT resources, productivity has risen significantly. The danger is that organisational devolution can descend into territorial unilateralism.

Devolution must not blind us to the fact that the whole of the Australian Public Service is greater than the sum of the parts. An agency which believes it can make and deliver public policy on its own has a tendency to become inward-looking, predictable in its views, risk-averse and less responsive to changes in the political environment.

These issues are not just faced by the Australian government. The situation in the states and territories is similar. Indeed the challenges of connecting government are well known and discussed across the world. In the United Kingdom they seek 'joined-up' government. In Canada they search for 'horizontalism'. The problem, which the OECD (appallingly) terms 'agencification', is common to contemporary democratic governance.

The three-fold challenge, addressed by MAC, is how to ensure coordinated development of policy; seamless delivery of policy; and policy development informed by delivery.

Whole of government approaches should be a relative strength for Australia. In the APS, for example, we benefit from having a small public service, in which senior executives and state-managers have close contact across agencies. Its standards are high. Its employees are experienced, well trained and able. Some two-thirds of recruits today are graduates. We enjoy a whole of government Senior Executive Service, in which mobility across agencies is common. The majority of the most senior APS leaders have had management experience in a number of public sector organisations. Australia retains a strong cabinet system, in which all key policy decisions are made, driving collective responsibility. Cabinet processes act as a gateway, providing a mechanism to ensure that the policies to be considered are coherently argued, well coordinated and carefully planned.

But we cannot become complacent. We must look for better ways to work with each other. We know we can on occasion pull together, both within and between governments. We did so, with great effect, in response to the tsunami crisis. The question is whether that culture of cooperation can be achieved on a consistent basis, until it becomes the normal way of working?

It is that question, articulated in a variety of ways, which prompted the development of this MAC report. The report recognised that making whole of government work better is a key priority for the APS.

It went beyond a superficial genuflection to improving 'communication' and 'coordination', and examined the different and sometimes competing imperatives that contribute to successful whole of government approaches. It provided case studies so that we could learn from our successes and failures.

Importantly, *Connecting Government* reinforced the need to reform the three key elements which drive change: structures (to ensure comprehensiveness); systems (to promote coordination); and most profound, culture (to model collegiality).

We need to insist that between and within agencies there is clarity of purpose, powers and relationships for taking and executing decisions. We need also to ensure there exists transparency of authority, lines of accountability and responsibility for disclosure.

Governments have understandably been attracted to boards and advisory councils to harness outside expertise. Unfortunately the governance structure within which they operate is often opaque: to what extent can ministers direct them? to what extent can they direct public servants? Effective whole of government responses demand that the governance arrangements of the individual agencies be unambiguous. That is a necessary pre-requisite to ensure that accountability for whole of government decision-making is clear.

This is not an arcane issue which might interest only those with an unhealthy obsession for public administration. It's central to the challenge of maintaining public trust in the way public funds are expended. The issues which are at the forefront of the Howard government's fourth-term agenda – combating global crime and terrorism, providing regional assistance, addressing domestic skill shortages, ensuring market competition, building an enterprise culture – necessarily require cross-APS cooperation if the government is going to be able to make well-informed, strategic and longer-term decisions.

I am pleased to report that since the release of the MAC report in April 2004, we have made a good start in seeking to reform the structures and processes and improve the culture and capability of the APS.

Following the launch of the report in Canberra on 20 April 2004, regional seminars were organised and delivered across Australia from July to August. There were 32 presentations involving staff from 9 APS departments. I understand that the seminars were well-received.

I have commissioned a small group of deputy secretaries to guide the implementation of the report's recommendations and oversee the establishment of a whole of government website (which is to be launched in May or early June). Their first meeting was held in September 2004. It consists of Lisa Paul from DEST, Lynne Tacy from the APSC, Peter Yuile from DoTARS and Louise Morauta from PM&C.

An Information Management Strategy Committee and Chief Information Officer Committee were established in November 2002 to promote more strategic approaches to whole of government information management. This is important, for in IT lies the opportunity to build virtual one-stop shops for citizens who wish to access information on, or undertake transactions with government.

More intensive training has begun. The APSC has commenced work on a number of initiatives including leadership, learning and development programmes; cross-agency networks and forums; indigenous employment initiatives; and the promotion of better practice around performance management systems.

The Cabinet Implementation Unit within PM&C has been contributing to implementation in a range of ways. The Unit does not just provide assurance to government that programmes are being delivered on schedule, on budget, and in accordance with government expectations. By driving effective policy design and project management, the Unit also delivers a more connected government. It brings whole of government issues to the government's attention; assists agencies to successfully deliver cross-portfolio programmes; develops better practice guidelines; and establishes a website with tools, templates and other resources to help agencies implement projects.

Cross-agency taskforces and high-level IDCs are increasingly playing a crucial role in developing policy in ways that accept the need to gain a wide range of informed perspectives. They link policy objectives to operational considerations in areas as diverse as energy, water, welfare and health.

Following John Uhrig's *Review of the Corporate Governance of Statutory Authorities and Office Holders* in 2003, the government is now reviewing in a systematic way the plethora of agencies with the intention of ensuring that their governance arrangements are appropriate. The establishment of the new Department of Human Services, and the decision to move a number of agencies back into departments following the last Federal election, symbolise the change that is underway. Reforming the machinery of government is an important part of making the whole of government work better together. And, as John Uhrig emphasised, whatever the organisational framework, those "who own, govern and manage an organisation should have a clear understanding of their roles and responsibilities."

I'm doing my best to support people on the ground with messages from the top. I have been working with my Secretary-level colleagues to develop two sets of guidance for APS staff. One is a series of bulletins from the Secretaries' Group on Indigenous Affairs, which seek to improve whole of government approaches to indigenous service delivery and to ensure a common and consistent understanding of the implementation of government policy, particularly with regard to negotiating

shared responsibility agreements with communities. The first has recently been circulated (<http://www.apsc.gov.au/indigenousemployment/bulletin0105.htm>).

The other missive, signed off by all portfolio secretaries and the Public Service Commissioner, provides a practical guide to all APS staff on how they should work together across agencies, particularly on IDCs and taskforces. It's called *Working Together* (<http://www.apsc.gov.au/mac/workingtogether.htm>). I am launching it this week. The focus is on encouraging staff to look beyond the immediate interests of their own organisations and ensure that government is provided with a comprehensive range of well-informed policy and implementation options.

This, in edited form, is its foreword:

“For some years now, public servants have been exhorted to work in a ‘whole of government’ fashion.

Secretaries and Agency Heads have emphasised the importance of working across organisational barriers to achieve policy and service delivery objectives. There is a strong level of commitment. However the implementation of a whole of government approach requires some assistance.

Collegiality is an important leadership behaviour. But how should it be put into action?

There are already significant examples across the APS of effective whole of government activity. Secretaries not only meet on a monthly basis to discuss matters affecting the service as a whole, but also work with agency heads in a variety of groups and committees to further the effective development and implementation of government policy. Taskforces and IDCs routinely work through the issues surrounding a wide range of policy and service delivery issues. And, of course, every day public servants build productive one-to-one relationships across bureaucratic boundaries.

As Secretaries, we want to see all APS officers look beyond the immediate interests of their own organisation to the broader context. We need to ensure that government is presented with a comprehensive range of well-informed policy options and that the views of all elements of the community are properly recognised.

The way we work together must always be governed by the ethical standards and values of the APS in terms of the way we cooperate with each other, the comprehensiveness and responsiveness of the advice we provide to the government of the day and the confidentiality with which it is given.

In no way do we encourage the APS to think but one thought or speak with a single voice. We extol the exchange of ideas and views. The relative merits of different options often need to be assessed. Even the most effective working group might find

that a consensus cannot be reached. That can be an entirely appropriate outcome. After all, it is for Ministers, and collectively the Cabinet, to decide on policy and how it is to be implemented.

We value working together in a whole of government manner. Well-coordinated policy development and well-delivered government services rely on the avoidance of narrow thinking driven by departmental ambition. Governance is enhanced by ensuring constructive, open communications across portfolios working to an agreed objective.”

That, I hope, is a message that can underpin the conference discussions we will have today.

Thank you.