

## **Submission to the National Commission of Audit:**

‘ Doing More with Less – submission relating to possible avenues to cut expenditure and duplication of services in the Australian Public Service, to allow it to become more efficient through curbing of excess wastage of resources, in human, financial and materiel terms.’

### **“Everybody does it” Changing APS ethos and attitudes.**

There is a Canberra joke that the time to sell your house is when a Labor Government is come to power. Canberrans believed that Labor invariably increased numbers in the APS, though most recently, this has proved to be not the case.

However, in the last few years, most would agree that APS numbers went up.

This however did not have a corresponding raised level of efficiency and client satisfaction, indeed, as many disgruntled members of the public would affirm.

Why was this so ? Anecdotal evidence would seem to point to three things.

- A change in attitude in APS officers, particularly new young recruits coming in through the GAA (Graduate) programs. This generation sees the APS as a personal career builder, not, as in former years, a career where team effort was expected and a more formal approach was expected to be observed within sections of Departments. I was recruited to the APS in 1978 in Sydney was a Journalist Grade 1 (the grading later subsumed into PRO – Public Relations Officer) and observed that a different work ethos prevailed; one worked hard, supporting colleagues and the Department.
- The attitude now is much more informal, and ‘me’-centred; the is less value placed on what I’ll call ‘appropriate behaviour’ (using Facebook or Twitter at work, using a work phone for personal business, taking extra time for personal business and – much more damaging for morale, bringing in relatives and friends to fill vacant positions disregarding those with perhaps better qualifications or experience for the job.
- Line managers are more apt to want to be ‘friends’ with their team than ‘bosses’; in the past few years many Departmental meetings have progressed to coffee shops or ‘walking meetings’ and the culture has

veered from emphasis on maintaining work competencies to what I'll call 'cultural' or 'social' qualities. It has become more valued, then, to be a member of a particular group or affiliation than to be good at your job.

**The bloated APS: when three people do the job of one.**

Most public servants are aware that bigger Departments receive greater slices of revenue, therefore it makes sense to try to increase the size and status of your Department. In 1978 when I joined the APS and was sent to Canberra, the number of Public Relations people could be fitted around one largish table for a PRIA luncheon. Now they fill a hall. Possibly two. Some Departments have increased so massively that they spill into several locations; now-defunct AusAID was once sited in one office in Civic. When it was abolished last month, AusAID had four different locations. The Department of Veterans Affairs, which occupies what used to be called the MLC Tower in Woden (and where the former Department of Education was also housed) now occupies most of the Tower office space. Many positions within Departments are duplicated in others. Example; there exists a section that deals with Protocol within DFAT and also one in PMC; no doubt each regards itself as vital to the smooth running of domestic and international visits and events such as the G20, to be hosted by Australia next year in Brisbane. However, it is, still duplication. Similarly, the Department of Veterans Affairs which has carriage of significant areas important to our national culture such as the Australian War Graves and the Anzac Centenary, has many tasks and responsibilities duplicated in both Defence and Health. If Vets Affairs merged with Defence (with the Anzac Centenary elevated into PM&C, as a signifier of its importance), the duplications would be evident.

**Recommendation: abolish positions where duplication occurs and/or create a 'central' team of experts within one of the primary Departments, say, PM&C, for such areas as 'Ceremony and Protocol'.**

### **The ‘Efficiency Dividend’ isn’t working. Re-install salary standards in the APS.**

**[Labor]** *Cabinet ministers have been told the expenditure review committee of cabinet will impose a further “efficiency dividend” on the federal bureaucracy, in addition to the on-going 1.5 per cent dividend and an additional, one-off 2.5 percentage-point boost dividend imposed last November. That took the dividend – in effect, enforced spending cuts – in 2012-13 to 4 per cent.*

*However, the government is apparently looking for another name for the across-the-board cut to the federal bureaucracy, which is already enduring a reduction in staffing numbers by 4200 over a two-year period.*

*Individual departments are being told how many positions they will have to shed as part of the savings measure. It comes as the mid-year review of the budget once again is turned into a mini-budget to rein in costs to offset spending blowouts and revenue shortfalls to keep the surplus forecast this financial year on track.*

Under the previous government, the ‘efficiency dividend’ which imposed mandatory cuts to the APS was considered to be a way to rein in Public Service numbers. However, the ‘dividend’ was not working (although some jobs were shed and redundancies paid) because the point of the ‘dividend’ was not only to keep numbers manageable, but to keep salaries in check. In past years, APS levels were the same across every Department and agency –in other words, an APS 5 would be paid the same whether he/she worked in Treasury, Education or the Department of Agriculture. Now there is a whole system of ‘levels’, and ‘bands’, incomprehensible to outsiders, but robustly defended within Departments.

‘Bonuses’ are also now paid to public servants, although the traditional ‘contract’ as it was understood in the APS was that officers received what was virtual lifetime employment in return for a wage that was less than might be earned in the private sector. I understand that both the ‘bands’ and ‘bonuses’ were union-derived wage innovations that were put into place sponsored by unions such as the CFMEU and public sector unions.

This has led to the practice of job-hopping. ‘If I am being paid less at Treasury to do the same work in Defence, maybe I should be trying to get into Defence’ is the thinking.

This inequity in wage levels is sometimes justified by ‘the prestige of working in DFAT (or AGs or PM&C’) but for pragmatic-minded Canberra public servants, more pay is a major incentive.

**Recommendation: Australia should consider moving back to the ‘equal pay’ standards of previous administrations, thereby eliminating disruption through ‘job hopping’ and the practice of ‘getting through the door’ in one Department, only to leave as soon as permanency is assured, to another, higher-paying position.**

**‘Partnership’ arrangements for overseas missions.**

The British Government now ‘partners’ overseas Missions with –usually- Commonwealth countries such as Canada for its overseas missions. Perhaps a similar strategy could be carried out in smaller, less significant Missions, with, an obvious partner, New Zealand.

**Recommendation:** create ‘partnership’ arrangements with New Zealand in (particularly) south Pacific missions. Sell ‘vanity’ institutions such as the ‘Australia Club’ in Vientiane, a swimmingpool/resort complex on the Mekong, which provides recreation to Australian diplomats and their guests but is extremely valuable real estate in a country that is now part of ASEAN and gaining a prosperous middle class.

**“We can’t give it back, would you like a coffee mug ?”**

In the last decade, there has been a jump in the number of items made available, free of charge, to members of Departments, pens, key chains, coffee mugs etc. This has come about because money that is left over at the end of the financial year is never returned to Consolidated Revenue but used for other purposes, because Departmental heads dislike returning funds on the grounds that the next allocation might be smaller than the one that was previously given to them. This thinking is extended to last-minute conferences, ‘study’ trips and other similar, so that funds can be acquitted before the end of the F/Y.

Just as Heads of Mission are given an ‘emergency fund’ to cover unexpected occurrences, so Departmental Heads are similarly holding such funds within their allocations.

**Recommendation: Encourage Department Heads to submit details of allocated funds.**

**Consider outsourcing: the case of GOCO**

Britain’s Ministry of Defence, which presented the government with a bill of some US\$243billion for military equipment and support has been asked by the National Audit Office, to consider the merits of using, instead of Defence Equipment & Support, with

16,500 employees based in Bristol, a new organization, to be owned by the British government but run by a private contractor, GOCO. (The Economist, 13 April 2013).

This strategy might also be utilized by combining Radio National with SBS Radio (both offering national/international news and programs) to be owned by the Australian government, but run by a private contractor. This could present a new 'international' face of Australian radio program, for both the domestic and international market.

Thank you for taking the time to read this submission. I have been an APS officer for over 30 years, over several Departments and agencies. There is much that is worthwhile and high-quality in the Australian Public Service. The trick is to keep the best and shed the rest. Thank you.

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