



Finance and Public Administration References Committee The current capability of the Australian Public Service

August 6, 2021
E&OE check against delivery

***Text of Opening Statement delivered by Travers McLeod, CPD's CEO,
appearing with Terry Moran AC, CPD Chairperson, and Frances Kitt, CPD
Senior Policy Advisor***

Thank you, Chair and Committee Members, the Centre for Policy Development is grateful for this opportunity to participate in your public hearing and make an opening statement.

My name is Travers McLeod, and I am CPD's CEO. With me is Terry Moran AC, CPD Chairperson, and CPD Senior Policy Adviser Frances Kitt. Terry and I are joining you from Wurundjeri land in Melbourne, and Frances is joining from Gadigal land in Sydney.

We want to start by acknowledging the stellar work done by the Australian Public Service over what has been a relentless period this past 20 months. Whether during the bushfires or the pandemic, this period has underlined how important the public service and public services are in the lives of all Australians. We've depended on them every minute of every day.

CPD is a non-partisan, independent policy institute. We work on long-term policy challenges and opportunities facing Australia and the region. As our submission sets out, public service capability to support more effective government has been at the heart of CPD's purpose since our founding in 2007. Our work has included reports on the impact of the efficiency dividend, the effectiveness of big service delivery systems, and research on Australian attitudes to democracy and to government. We have also helped to design and implement locally and regionally-tailored service delivery approaches to disadvantage and unemployment, including in Melbourne's West, in Toowoomba in Queensland, and in the Murray and Riverina regions in Victoria and NSW.

CPD's view, in a nutshell, is that the problems with APS capability are cultural, philosophical, managerial and situational. We want to make three points before taking questions.

First of all, the long run decline of APS capability is something successive governments bear responsibility for, although the trend has accelerated since 2013.

The cumulative impact of declining capability is frightening for Australia and Australian communities, one being borne out by the vaccine rollout. We have seen the negative impact of capability gaps across our domestic and international programs, and across a range of substantive issues and service systems, including:

- Employment Services
- Aged Care
- Disability services
- Health
- Early Childhood Development
- Payment recovery
- Systemic risks such as climate change or pandemics.

There has been a clear shift in the focus and orientation of the APS workforce, one of the focus areas of this Inquiry. This has resulted in an erosion in the quality of public service policy advice, an ever diminishing number of people with long-term experience of large service delivery systems, and the withdrawal of the APS from communities.

Second, the absence of APS employees on the ground in communities has been exacerbated by an obsession with contracting out the design and delivery of service systems to the market and an unhealthy reliance on outsourcing policy advice. The consequence is that the Commonwealth is increasingly vacating the ideas business, and forgotten what it takes to run things well. Australians want more active government stewardship of services and deeper engagement in local communities. Nine in every ten Australians now think it is important for government to maintain the capability and skills to deliver services directly instead of paying others to do it. This is up from three quarters of Australians in 2018.

Lastly, we believe repair and renewal of the APS should be a decade long race to have the world's best public service and public services. There have been positive announcements since the Thodey Review, including the new APS Academy, but much more can be done. This is what the COVID experience demands, and it is what Australians want. CPD's attitudes research reveals that Australians share a unique resolve to make democracy work, solve big problems, and improve the lives of others.

Through our *Blueprint for Regional and Community Job Deals*, CPD has shown how we can change tack. Fundamentally, this requires a reorganisation of government so it is better nested in communities, and better placed to partner with business and other levels of government to support and empower local community networks. All this requires smarter and more sustained investment in APS capability over the long run, reinforced by a clear-eyed view of the future bearing down on us, one in which our economy will decarbonise, our region will face geopolitical unrest, and our communities will expect a smarter and more sustainable approach to care, education, development and prosperity.

Thank you. Terry, Fran and I are happy to take questions.