

‘The Agenda for Achieving a World Class Public Sector: Making Reforms That Matter—Contemporary Reform Challenges’

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Introduction

Good morning. I would like to begin by acknowledging the people of the Kulin Nation, the traditional owners of the land on which we are meeting for the conference.

I wish to thank ANZSOG for the opportunity to address its annual conference. High-order public administration research and teaching institutions like ANZSOG add immeasurably to the public sector’s capacity to serve governments and Australians. It is a pleasure, as Australian Public Service Commissioner, to once again participate in an ANZSOG initiative.

I will begin by discussing some key issues surrounding public sector reform. I will then explore public sector change at the national level in Australia since the modern reform era began in the mid-1970s, and their implications for us today. My primary focus will be the comprehensive reform program set out in the landmark publication, *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, which is now being implemented.

I will finish with some thoughts about what tomorrow might bring and how we can continue to work towards becoming a world class public sector and maintain the momentum needed to support sustainable change.

Public Sector Reform in Theory and Practice

Reform is essentially about balancing continuity and change; choosing between incremental change and more substantial change.

As the management thinker Charles E. Lindblom puts it, incrementalists are concerned primarily with marginal improvements that reformers can agree on in practice, whereas critics of incrementalism are concerned with a more systematic approach to setting objectives and achieving measurable outcomes¹. Lindblom identified this dichotomy and the implications of each approach more than fifty years ago, but it still has resonance today. The challenge for reformers is judging when fundamental, rather than incremental change is required.

In a recent publication, the OECD identified five key lessons to emerge from a study of global public sector reform initiatives. I think each of these is worth noting:

1. The importance of raising citizen awareness of, and support for, reform through public debates and consultation strategies.
2. The need to consult extensively with public servants affected by reform.
3. The requirement to reduce uncertainty, and therefore opposition to reform, by allowing it to proceed in stages, that is, ‘incrementally’.

¹ C.E. Lindblom, ‘The Science of “Muddling Through”’, *Public Administration Review*, Vol. 19, No. 2, Spring 1959, pp. 79–88; ‘Still Muddling, Not Yet Through’, *Public Administration Review*, Vol. 39, No. 6, Nov.–Dec. 1979, pp. 517–526.

4. The need for permanent, independent organisations for steering reform, especially after the initial stages in order to prevent incrementalism giving way to inertia and reform stalling.
5. The importance of individual national jurisdictions supporting and collaborating with international public sector research organisations in information sharing and evaluating reform approaches and progress.²

All of these elements are to be found in past APS activity and thinking, but I think it is fair to say they figure more prominently in current thinking and initiatives and no doubt some will loom even larger in future.

There is another important aspect to designing sustainable or fit for purpose reform approaches—the little-explored conception of a nation’s ‘administrative tradition’.³ A sound understanding of the influence of a country’s administrative tradition is needed in framing sustainable reform initiatives and charting their progress.

Reform: 1976–2010

The Australian Public Service is a very different institution from the one I joined as a young graduate in 1972. [You may want to consider a reference to Ian Castles, AO OBE in this section. For example, “The recent passing of Ian Castles has led me to reflect on that time not only in terms of his tremendous public service contribution but also in the differences be then and now.” Possibly an opportunity for a short anecdote to reflect that difference etc]

During the past four decades, successive Australian Governments and the public sector have been called on to address the challenges of a rapidly-changing world.

² OECD, *Making Reform Happen: Lessons from OECD Countries*, OECD, Paris, 2010, pp. 27–28.

³ M. Painter & B. G. Peters (eds), *Tradition and Public Administration*, Palgrave Macmillan, Houndmills, Basingstoke, Hampshire, 2010.

They have done so by revising existing policies and programs and developing new ones.

As part of this process, public service leaders have sought to learn from past initiatives when framing new reform proposals.

The outcomes of the recent review of the Australian Public Service reflect elements of continuity and change with key themes from earlier public sector reforms as far back as the 1970s.

Successive generations of public servants are constantly called upon to adjust their thinking and practices to respond to the changing needs and expectations of their communities and to exploit new options to solve problems as technology (including administrative technology) changes.

I would like to explore these issues by looking at the evolution over time of three major themes. The first concerns the public sector's stewardship role; the second, its success in centralizing or decentralizing its various functions and the effect this has on its operations; and the third, the effectiveness of the APS accountability framework.

In each case I will focus principally on the human resources components of the reforms. There is a similar story to tell in respect of financial management but we do not have time to explore that in detail today.

Two pieces of major legislation—the *Public Service Reform Act 1984* and the *Public Service Act 1999*—and the findings of a number of inquiries and taskforces attest to the determination of successive governments to create an efficient and effective APS. The most recent of these is, of course, *Ahead of the Game*, a far-reaching blueprint for the reform of Australian Government administration, released in March this year and approved by the Government in May.

In examining my three key themes, I will be looking at this legislation and these inquiries as carefully considered responses to new demands on the public sector.

However, I should stress one thing at the outset—in some areas we have been more successful than in others. The process is always one of learning and adaptation, of reconciling continuity and change, of managing expectations and making the best use of the available resources.

No single reform approach ever has all the answers – partly because our external environment is never static and neither should the public service be static; and partly because the balance between centralisation and decentralisation shifts over time.

Our most recent reforms, some of which have moved us back a little compared to earlier initiatives, are best viewed in that light.

Several forces have shaped public sector change over the past four decades—a period marked by what one commentator calls ‘a major re-conceptualization of the role of government’⁴. The main influences have been:

- new service delivery opportunities, cost saving opportunities and accountability demands created by information and communications technology;
- globalization;
- a more contestable policy formulation and service delivery environment; and
- increasing community expectations of government and growing intolerance of poor performance whether in direct provision of services or through regulation.

⁴ J.R. Nethercote, ‘Australian Public Administration in Perspective’, in APSC, *The Australian Experience of Public Sector Reform*, Commonwealth of Australia, Canberra, 2003, p. 12.

This has led to what has been called a ‘reinvention of government’, one characterized by a more agile and flexible approach to public policy and a high level of responsiveness to society’s needs⁵.

1. Stewardship

Many of you would be familiar with the Royal Commission on Australian Government Administration, known as the Coombs Inquiry after its chairman, Dr H.C. Coombs. The Coombs Inquiry, which reported in 1976, was the first large-scale inquiry into the public service since the 1920s⁶. It took two years to complete and called on the APS to:

- increase its responsiveness to the elected government;
- improve its efficiency and effectiveness; and
- foster greater community participation in government.

Indeed, these themes have been reflected in successive APS review and reform processes since the Coombs Report was released in 1976⁷—an important element of continuity in our reform process.

Amongst other things Coombs called for stronger policy co-ordination across government through the Department of the Prime Minister and Cabinet and more positive steps designed to enhance the flow of information to the community.

There were concerns at the time that departments were operating too independently of each other and possibly of government and that the APS was less responsive to

⁵ M. Albrow, ‘Society as Social Diversity: The Challenge for Governance in the Global Age’, in *Governance in the 21st Century*, OECD, Paris, 2001, pp. 158, 162.

⁶ *Royal Commission on Public Service Administration* (Chairman: D. C. McLachlan), *Report*, Government Printer, Melbourne, 1970. McLachlan was a retired Public Service Commissioner.

⁷ *Royal Commission on Australian Government Administration* (Chairman: Dr H.C. Coombs), *Report*, AGPS, Canberra, 1976.

the government of the day and their interpretation of changing community needs than it should be.

These themes were developed and enshrined in the *Public Service Reform Act 1984*, which stipulated that a Portfolio Secretary should exercise their responsibilities for the general operations of his or her department under a greater degree of ministerial direction than in the past.

This emphasis was taken further in the *Public Service Act 1999*, which gave Portfolio Secretaries considerably more flexibility in administering their organizations and serving the public, but with greater accountability for results.

The point that I want to draw out is that by 2010 questions were being raised about whether our understanding of the role of the senior leaders of the public service had become too narrow over time.

Compared to Coombs's times there is now a strongly embedded acceptance that the APS must be responsive to the government of the day, and manage risk and deliver results for citizens (and not simply comply with processes).

All of these were matters that, in Coombs' time, were in need of repair.

However, while not losing sight of those essential qualities of public service, some had begun to shift their attention to another question, namely whether public service thinking had become too reactive, too government-centred and too short-term.

This sparked a debate about what historically has been termed the stewardship role of senior public servants. This role requires public servants to be more proactive and forward thinking—both in their management of the APS workforce and in the development of policy thinking and models of service delivery.

Some of this is about the responsibilities of today's leaders to build the capability needed within the APS to respond to tomorrow's problems; some relates to the importance that should be attached to having strategic policy advising capability within departments to advise governments about what the policy issues and approaches should be.

The domestic and international environments in which nations now operate presents political and public sector leaders with a number of pressing challenges.

These have become known as 'wicked' problems and include, in our case, nationwide water shortages occasioned by an unusually long drought; concern about some seemingly intractable, multi-faceted social issues such as Indigenous disadvantage, homelessness and mental health; and growing international attention to 'diabolical' [Ross Garnaut's term] problems such as global climate change and security challenges, including those related to several large-scale terrorist attacks on a number of continents.

Ahead of the game

In September 2009, the Prime Minister appointed an Advisory Group chaired by the head of his department to develop a blueprint for major reform of the APS.

The Advisory Group's report, entitled *Ahead of the Game*⁸, contains 28 recommendations across four themes. All have been accepted by the Government. It sets out a comprehensive change strategy for the APS which, first and foremost, re-emphasises that the needs and requirements of citizens have to be at the centre of service design and delivery but also challenges the public service to be more forward looking.

⁸ Advisory Group on Reform of Australian Government Administration, *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, Commonwealth of Australia, Canberra, 2010.

Ahead of the Game calls on the senior leaders of the APS to look again at how programs are designed and delivered to ensure that they meet the needs of citizens in ways that are convenient for them rather than for public servants and to minimize regulatory burdens.

These require more ‘joined up’ approaches to government and a re-examination of how we hold agencies accountable for results that need several of them to work together.

Some of these challenge our traditional accountability models, about which I will say more later.

Ahead of the Game places specific responsibility on a new public service leadership forum, a Secretaries Board, to find better ways of joining up government services and articulating an accountability framework that reflects contemporary understanding of how government needs to interact with citizens.

It will also involve strengthening the capacity of the APS to provide strategic, ‘big picture’ advice that addresses the most difficult challenges of the day, among them the capacity to identify fundamental rather than incremental change when the situation requires it.

Agencies have been challenged to assess their capability in these matters and to systematically set about building capability if they are currently deficient.

Their performance is to be assessed in a number of ways, notably through the introduction of systematic Capability Reviews that will be conducted centrally using teams and approaches to be developed by the APS Commission.

Importantly, however, *Ahead of the Game* puts renewed emphasis on the fact that the APS is a long-lived institution with responsibilities to the future and not just the present—that it needs to develop resilience in the face of the unexpected and to

develop policy making capability ahead of predictable need—in other words, to look towards tomorrow and see what issues might emerge in future that we should begin to research today, ahead of need.

The new Secretaries Board, comprising Portfolio Secretaries and the Public Service Commissioner, along with an expanded senior leaders forum (the APS 200) will be central in driving the stewardship function. The latter is now in the process of taking forward the Government's APS capability and service delivery improvement agenda set out in the Management Advisory Committee report, *Empowering Change: Fostering Innovation in the Australian Public Service*, released in May.

Along with its responsibilities to identify better ways to 'join up' government and citizens, the Board also has responsibilities to oversight the development of the APS workforce, including through more centralised approaches to leadership training and talent management (about which I will say more shortly).

The public sector change process initiated in *Ahead of the Game* will have far-reaching consequences for Australians and public servants.

It represents a recognition that many traditional approaches to public policy no longer work as effectively as they once did.

Consequently, governments and public servants increasingly have to devise new models of policy formulation and service delivery in response to the expectations of citizens.

And APS leaders cannot perform this role well without better managing their organizations in order to ensure that they are adaptive, self-critical, outward-oriented—that is, especially citizen focussed—and future thinking.

Ahead of the Game sets out how they can go about this internally and in their relations with citizens.

2. Centralization and Decentralization

I referred earlier to the shifting balance between centralization and decentralization.

The 1976 Coombs Royal Commission reaffirmed the need for centralized oversight of public sector employment legislation by the then Public Service Board, the body responsible at the time for the APS industrial relations and human resources functions (and a predecessor of the APS Commission).

However, in the interests of achieving a more open but better integrated public service, Coombs called for the creation of a separate cadre of APS senior executives and the beginnings of devolution from the Centre—more specifically, from the Public Service Board—of greater responsibility for agency operations to agency heads.

This began a process of devolution of human resources management that played out over many years and culminated in the abolition of the Public Service Board in the late eighties and the introduction of new Public Service Act in the late nineties.

The Board was replaced by a Public Service Commission with a relatively limited role. It was responsible for developing the Senior Executive Service and training; consulting and advising government on public sector change; and some HR systems and human capability alignment functions such as recruitment, promotion, dismissal, mobility and retirement matters.

Under the provisions of the *Public Service Act 1999*, agency heads were given all the powers of employers over staff, subject to a new ethics framework enshrined in the Act in the form of legally enforceable APS Values and a Code of Conduct.

Parallel reforms had occurred in respect of financial management so that agency heads and their senior managers were provided with full responsibility for reconciling their organization's budgetary, performance and accountability, and risk management priorities with those relating to recruitment, training, employee development, and leadership.

Eventually, agency heads also received power to determine pay and conditions within their agency, subject only to light central oversight.

Centralized elements remained, however. In the case of human resources management the Public Service Commission's role, for example, was to be one of promoting and reviewing APS employment policies and practices across the public service, as well as 'quality assurance' in the areas of people management, training and career development, and leadership.

The essential point is that these centralised elements were very light-handed. The Commission was to promote and encourage good practice but had limited authority or leverage to enforce compliance.

The 2010 reform blueprint, *Ahead of the Game*, heralds a subtle change of direction. It is an amalgam of past, existing and new approaches to challenges, many of which call for more innovative thinking.

In the human capital area, for example, *Ahead of the Game* moves beyond 'people management' as we have traditionally defined it, to a more holistic philosophical approach which recognizes that the short- and longer-term capability of our organizations needs to be planned for and systematically developed.

This reflects a realization that good people management underpins an effective human capital strategy, which in turn underpins the capacity of the APS to achieve its strategic objectives and meet the evolving demands of citizens.

And it also means, in essence, a degree of recentralization—but not of the same order as we knew in the past.

Agency heads retain all the powers of an employer but these powers are to be exercised in a more consistent, centrally determined and monitored framework.

The Commission will have more and stronger levers to promote good practice and to expose poor practice.

This will be reflected, for example, in new arrangements for better aligning pay and conditions across agencies and, on efficiency grounds, in a continuation of the trend towards more centralized ICT management.

Moreover, *Ahead of the Game* requires the Australian Public Service Commission, for instance, to:

- establish APS-wide frameworks for human capital management, including in respect of workforce planning;
- simplify APS recruitment processes so as to attract the best applicants from the public and private sectors;
- revise the legislated APS Values to a smaller set better able to influence workplace behaviour;
- revise the APS's performance management frameworks to ensure not only that poor performance is identified and managed but, for the first time, that high-potential individuals are systematically identified and their development accelerated;
- establish a Strategic Centre for Leadership, Learning and Development to achieve stronger strategic alignment between the Commission's leadership

development and talent management activities and contemporary human capital priorities of the APS; and

- undertake human capital benchmarking, Capability Reviews and a Citizens Survey.

A Human Capital Priority Plan is to be developed for consideration by the Secretaries Board to assist in implementing these initiatives and, over time, identify emerging systemic workforce issues for the APS at large.

And the long-standing emphasis on APS-wide whole of government collaboration as a means of generating optimal outcomes will be strengthened (about which I will say more later).

The public service is to adopt a more systematic and consistent approach to workforce planning and developing its people.

At the moment only 30 percent of agencies undertake systematic workforce planning and only 8 per cent engage actively in talent management activities.

More consistent approaches are to be developed and promulgated, and performance routinely assessed and supported by the Commission.

The aim here is to avoid both excessive interference from the Centre and the development of a compliance or 'tick box' mentality in agencies.

The important element of this reform is to embed active management of the workforce into agency practices by concentrating on strategically relevant issues that add value to an agency's management.

These issues will need to be established and periodically updated through dialogue with agencies and their leadership.

A central element in this process will be to build a workforce that reflects the diversity of the population whose needs the APS seeks to anticipate and serve.

Improved performance and talent management processes will be put in place; clearer work level standards designed to enable better alignment of skills and training to job requirements are to be introduced; and salaries and conditions will be better aligned.

Before leaving this topic let me add quickly that there has also been a degree of recentralisation over time in respect of some financial management functions. But these changes have essentially responded to new opportunities presented to exploit economies of scale using centralised purchasing, for example, in respect of travel, or common services or information and communications technology.

The fundamental thrust to devolution of financial management, the flexibility of agencies to reallocate resources and the use of program budgeting remain unchanged.

3. Accountability

Let me turn now to my third theme. If we look back once more to the Coombs Inquiry, it called for greater agency accountability by means of a strengthened annual reporting process for departments. Coombs also advocated a higher level of accountability for individual public servants.

An ambitious initiative designed to improve departmental financial management—a recommendation of the 1983 *Review of Commonwealth Administration*—also occurred at this time, with the establishment in 1984 of the Financial Management Improvement Program.

It encompassed a broad range of change initiatives in the areas of corporate and program management, program budgeting, and performance evaluation.

These reforms were designed to improve strategic planning and policy formulation and to ensure more efficient use of resources. They were to be realized through better framing of goals and objectives and improved management and measurement for results and outcomes.

A central theme of the *Public Service Act 1999* was that public administration, including systems and human capability alignment functions, would be improved by strengthening the accountability—and integrity—of government.

This was in part a response to the increased availability of online data which could be used to make judgements about public sector performance.

Ahead of the Game takes the accountability issue a step further. It contains a coordinated response to a challenge APS leaders have been aware of for some time—the need to develop more variegated accountability and performance arrangements better suited to the new modes of policy implementation and service delivery that the APS must increasingly deploy.

In a nutshell, this first calls for an accountability model that ensures effective oversight, but without stifling innovation by reducing the web of unnecessary rules which saps employee initiative. Some of these rules are devised within agencies and seem to add no value.

But it goes further than that.

A major challenge for a citizen-centric service is to present a more joined up face to citizens—one that respects the convenience of the users rather than the providers of services.

There are many aspects to this issue.

For example, traditionally we have defined accountability through a single Minister and the public servants who deliver a specific program on his or her behalf.

But some problems cannot be addressed through a single program or Minister.

An example is Indigenous disadvantage in remote localities.

Better outcomes for these Indigenous Australians require improvements in health, housing and schooling that are mutually reinforcing.

Yet, traditionally we have assessed these programs separately; and no one has accepted responsibility for the overall outcome—failure to advance the life chances of these Indigenous peoples has been ‘someone else’s problem’; in effect, they have ‘fallen between the cracks’ in our accountability framework.

The fact that responsibility for some of these issues is shared across several levels of government in a federal structure simply compounds the degree of difficulty.

Ahead of the Game challenges the public service’s leadership to work systematically through our service delivery models and accountability frameworks to find solutions to how we can better hold agencies and individuals accountable for their contribution to achieving desired outcomes when a number of programs, portfolios or jurisdictions are involved.

In parallel with this, the APS intends to establish more robust and effective risk management systems. And the 2010 reforms include new monitoring and reporting arrangements.

These include an improved performance assessment framework for Secretaries, one which is to involve a higher level of feedback from their peers and subordinates as well as stakeholders. Feedback will be sought about all of the roles that agency heads are to perform, including their stewardship responsibilities, their

management of their department and outcomes achieved, and the quality of their policy advice.

Moreover, the Australian Public Service Commission has also been given a formal role in monitoring and reporting on the implementation of all *Ahead of the Game* recommendations.

Together with the introduction of human capital benchmarking, Capability Reviews and the Citizens Survey I talked about earlier, these represent a significant increase in the leverage available to the APS Commission in effecting change.

Reflections on Reform: 1976 to 2010 and Beyond

Today's reform agenda is the latest manifestation of the reform imperative whereby policies and practices are redefined in response to a changing national and international governance environment.

Three specific developments have been significant in changing the environment in which the APS functions: first, improvements in civic participation as a result of increasing education levels, leading to more specific citizen expectations of government; second, continual economic pressures and the need to produce better outcomes with fewer resources; and third, Australia's ageing population and workforce (including the APS workforce).

Moreover, our challenges are more numerous and their nature more complex than in the past, leading us to rethink how the public service can work better internally and engage externally with citizens and with the best contemporary thinkers to find solutions.

What lessons have we learnt from four decades of reform?

First, I believe APS leaders must be clear about their objectives and ensure that the effort they are expending remains commensurate with the benefits they expect to generate.

Second, sound reform should be defined as the delivery of sustainable change over time.

This change is as much about human capability and alignment as it is about administrative change; it is about achieving the right balance between systems and people; and it is about balancing the needs of the present and the future (including stewardship obligations), centralization and decentralization of functions.

Third, incentives and the accountability framework matter.

Effective change requires behavioural changes. This requires good communication of the case for change and the nature of what is expected; however, in addition, the incentives structures and the accountability regimes have to be aligned with the objectives of the reforms.

And, as we all know, in applying incentives and administering accountability, what the regulators and public service leaders do is more important than what they say—their actions will drive an organization's culture and its approach to the acceptable standard of work, values and focus on clients.

Fourth, it is also important to recognize that the various elements of a specific reform process need not be undertaken or completed all at once; establishing priorities for change and realistic timeframes is a significant component of sound reform.

Fifth, in the tradition of our predecessors, we should continue to enrich reform approaches through self-critical evaluation, research and knowledge of international best practice; and, as *Ahead of the Game* advocates, do this by forging

better links with public administration research and training institutions such as ANZSOG as well as and think tanks.

This applies to all aspects of public policy activity.

Ahead of the Game has rightly drawn on recent developments in the United Kingdom, Canada and New Zealand to adapt and borrow new techniques to foster accountability and improve links with citizens and others to achieve better outcomes.

The Citizens Survey and Capability Reviews are examples of this.

But it has also learnt from our experience with past reform about the need to get the balance right between immediate needs and longer-term ones; and between too loose and too tight approaches to devolution of authority to act.

These are reflected in the heightened attention to be paid to stewardship responsibilities of Secretaries and the stronger emphasis on approaches in the Blueprint to managing human capital that acknowledge that we are ‘One APS’⁹ united by common values and expectations of performance.

My sixth reflection is that, at the end of the day, reform is about people—their motivations, the incentives they face, their flexibility and willingness to change.

It is about focusing and refocusing on factors such as employee engagement. Kenneth W. Thomas, for example, has identified four central elements in what he terms ‘intrinsic motivation’—a refinement of the traditional conception of engagement, and one which produces better organizational outcomes. It does so primarily because the greater autonomy employees often enjoy now than in the past allows those with a high level of intrinsic motivation to perform very

⁹ Management Advisory Committee, *One APS—One SES: Senior Executive Service of the Australian Public Service*, APSC, Canberra, 2005, <<http://www.apsc.gov.au>>

effectively. These elements are: a sense of meaningfulness; a sense of choice; a sense of competence; and a sense of progress¹⁰.

In the APS context, we professionalized our financial management processes long ago but so far have not achieved the same degree of professionalization of our human capital approaches—perhaps because they are too difficult to quantify and therefore address.

And the final observation based on our experience since the 70s is the central importance of good leadership—this imperative recurs in review after review. We need to develop in each generation leaders who embody the best values of public service; who look outward to identify the needs of those whom we serve; and who look forward to anticipate emerging issues and build resilient organisations.

Building such a leadership cadre is a fundamental precondition for sustained reform and high performance.

Conclusion

The reform initiatives undertaken by successive Australian Governments and the public sector since the mid-1970s attest to their desire to better serve Australians through more flexible and agile responses to changing national and global imperatives.

I think they also demonstrate that, as Australia's place in the world changed and we were called upon increasingly to function in a globalised social, economic, governmental and public sector environment, we learned to develop more agile and responsive approaches to meeting the needs of governments and citizens.

This will continue, perhaps to a greater extent than in the past, due to the growing complexity of the challenges before us. According to one commentator, the most

¹⁰ K.W. Thomas, *Intrinsic Motivation at Work: What Really Drives Employee Engagement*, 2nd ed, Berrett-Koehler Publishers, San Francisco, 2009.

critical question for every 21st century [organization] is this: Are we changing as fast as the world around us?’¹¹

Highly-functional public sector organizations which effectively align their human capital and structural arrangements stand the best chance of successful adaptation.

Such organizations will also be efficient stewards of their resources; adept at achieving the right balance between centralization and decentralization of their functions; and guarantors of effective accountability. They will only maintain their capability if they address internal challenges such as those associated with the growing ‘virtual’ workplace, for example the pressures on workers such as isolation arising from teleworking (already a trend in the USA).

Achieving this high level of preparation, internally and externally, will enable the public sector to serve the government of the day and citizens in an efficient and ethical manner but also build the capability needed to serve the governments and citizens of tomorrow.

And we can only fulfil this role effectively by keeping a close eye on how society is changing and by equipping ourselves to deal with societal change—in effect, by becoming a world class public sector, one able to address the contemporary needs of Australians efficiently and effectively. This entity must also be resilient enough to anticipate and address major future challenges.

I am certain that we never can get to a final point—there is always room for improvement in what we do now and the reform process itself is essentially a matter of invention and reinvention.

I referred earlier to a writer on management named Charles Lindblom, who in ‘the Science of ‘Muddling Through’’, declared that incrementalism as an approach to public administration did not lack rigour—it represented a legitimate and

¹¹ G. Hamel (with B. Breen), *The Future of Management*, Harvard Business School Press, Boston, MA, 2007, p. 42.

considered response to addressing challenges and delivering outcomes in the actual forest of events public sector managers face daily. Twenty years on, he had not changed his mind, writing that he was ‘Still Muddling, Not Yet Through’.¹²

As Lindblom recognized, the enterprise is not about conquering but about persevering.

On that note I will end.

Thank you for the opportunity to deliver this keynote address.

¹² C.E. Lindblom, ‘The Science of “Muddling Through”’, *Public Administration Review*, Vol. 19, No. 2, Spring 1959, pp. 79–88; ‘Still Muddling, Not Yet Through’, *Public Administration Review*, Vol. 39, No. 6, Nov.–Dec. 1979, pp. 517–526.