

# **TRANSCRIPT OF PROCEEDINGS**

## **Independent Review of the APS: David Thodey AO**

National Gallery of Australia

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Elizabeth Kelly:

I'd like to start our event today by welcoming our key note speaker, David Thodey. David is a global business leader, focused on innovation, technology and telecommunications with more than 30 years' experience in creating brand and shareholder value. He's currently CSIRO chair and chairman of Jobs New South Wales, focused on job creation, as well as an ambassador for business events in New South Wales. David's had a successful career as CEO of Telstra and in more recent times, he's become well known to many of us through his work on the independent review of the PGPA.

More importantly for today, he's chair of the panel for the Independent Review of the Public Service. This is the second time that IPAA has hosted David in this capacity, following his address at the IPAA ACT conference in November last year. And for those of us who were there, David's comments were necessarily fairly broad-brushed and high level at that conference and we were all left thinking, "I wonder what that means for us?" So we've had him back for the next instalment.

Of course, it's not the final report. But certainly, the review panel has formed some clear views on some things and on other things, they would like to further explore. So today is an opportunity to open their thinking to you and to get that input and feedback on where they are at. I welcome David to the stage.

David Thodey:

Well good morning and thank you very much, Elizabeth. Let me just start by recognising traditional custodians of the land in which we're meeting and my respects to their elders, past and present. 25,000 years or thereabout of habitation in this land is quite incredible. And to any Torres Strait Islanders or Aboriginals here today, I pay my respects to you as well.

Well, [Drew], thank you very much for having us back. As Elizabeth said, it was a general dissertation I gave last time so I'm glad to be back here. Thank you for the opportunity, and I will not recognise all the secretaries. I'm delighted to have so many of the secretaries here today and many other dignitaries. But mostly, thank you to you for coming. The future of the public service is so important and it's just great to see the interest and the participation. So thank you for being here.

And, of course, I'm joined by Gordon de Brouwer who's here to join me from the panel and it's great to have you here, Gordon. And if I get into trouble, I can always turn to Gordon for the answer. Right.

So today, on behalf of the independent panel, what we want to do is to lay out to you the priorities for change that we see. And in doing that, we think these are critical for the ongoing future health of the public service. And what I want to do is also to really get in underneath some of these priorities and talk about some of the initiatives and ideas that we think will support these priorities for change.

Now, I want to stress, as Elizabeth said, this is our current thinking and there's more to come because each of these areas just has so much complexity involved with it. So we are very sincere and very honest in our request for wanting

feedback because as we transition through this period, we do need to get sharper in terms of the actual recommendations. We give our report to the Prime Minister in the middle of the year.

So as I said, when I last spoke to you in November, I set out this view of what we believed a confident, independent and impactful APS would look like. And in that, we tried to recognise this rich history of the APS that for over 100 years it has been so integral to Australia's security, prosperity and welfare.

But, you know that. Our engagement, you know, as we've gone around speaking to many people has stressed that this is really important to them and this is as we talked to the community. Your role matters. And it has been reinforced to us, time and time again. But, our world is changing. So the question is, what do we need to do to best position the APS to continue to effectively and efficiently serve the government, the parliament and the Australian public?

So, we've had this great engagement from so many people across the public service as well. In fact, if I was to characterise to you what has been different, from what I can tell, we've had many submissions. But as we've gone around and spoken to people at the frontline, it has been palpable the energy that we have received in talking about their desire to really change.

And they're not looking for an academic treatise from me. They're looking for a reality, things that will really make a difference. Also, I do want to recognise the great work of the secretaries and the teams that are working on the APS reform committee what we call ARC on modernisation. It's been a great group. And then I don't know if you had a chance to get to the expo event last week but it was really ... I mean, the energy in there was just great and there were great ideas, people bringing forth different ways of doing business.

And let me say now. Any great transformation, it needs leadership, but it's got to come from the people. And that is really important. If you don't enable your people to change, then it will not have any great long-term substance. So, let's talk around what this APS of the future looks like.

You know, our terms of reference that were written so ably by the Head of PM&C and the Prime Minister of the time asked for ambitious ideas to ensure the APS serves Australia for coming decades. I mean, a difficult task if there ever was one. Like many other traditional institutions and big organisations, APS is wrestling with these significant changes. You know them and I'm not going to go through them in great detail but, you know, rising public expectations and declining trust. Every institution I talked to is going through this.

We had political volatility and geo-political shifts that are going on around us that you deal with every day. Then, there's the whole area of new ways of working when people come to work. They're expecting new ways to actually do their job. And then the impact of technology, both good and bad are challenging. And not always apparent as you embark on this road.

But, one thing we do know as we've looked at all these changing dynamics, to best serve Australia in this environment, we cannot stand still. We cannot stand still. You see, you need to continue to provide outstanding advice to government on these complex policy issues that Australia faces, service delivery, every day, people are ringing, their lives depend on it, is so important and also in terms of regulating the many of the markets in Australia. So you will need to be trusted to help find the way through here.

And the APS will need to meet, and I want to put to you, you must exceed the expectations that are growing out there in the market. Otherwise, you will always be one step behind. So, our challenge is to determine how the APS can best inspire and serve going into the future. So, our aspiration, this is the panel's aspiration, is that the APS is trusted and united in serving all Australians. This forms the organising principle for the ideas which we will share with you today. So what do we mean by this?

Well, firstly, the APS must be trusted. Firstly, by government, secondly, by parliament and then the people of Australia. So what is trust founded on? Well, it's founded on integrity, transparency and reliability. And this is absolutely essential. This is what is the bedrock of what the service really stands on.

Secondly, the APS needs to be united in service. Harnessing all the insights, resources and energy across all the different parts of the service, in pursuit of a shared purpose. And finally, the APS needs to have the interest of the Australian people at the heart of all that it does as it serves the government and parliament. This means designing and developing solutions with people, not just for people.

So that's our aspiration for the future of the public service. So, as I said before, this review is not just about institutional change. At the centre of these initiatives are people. You. You play the critical role. You know, in terms of the nation and advancing policy and regulation. Each one of the 150,000 plus employees, you are the people that make up the service.

And it's that commitment and enthusiasm that we need to grasp and we need to encourage and move it forward and not let cynicism and distraction come in the way. So, with that introduction, let me now talk around these priorities of change. So what we're saying is to be truly fit for purpose in the decades ahead, we need to really focus in on these four priorities, sort of principles. And I'm going to touch on each of them and I'm going to give you a bit of a flavour of the ideas and initiatives standing behind them.

Now, the document that has been issued last night actually has one page on each of these initiatives, the challenge in a 25 minute speech is I can't go into all the details. But there is a lot of thought that's going on through the position of each of these individual initiatives. So let me just take you through and I'll try and put a bit of colour on it as we go through each priority.

So the first one is around strengthening the culture, governance and leadership model of the APS. See, more than ever, we believe that our nation needs an APS

that is more than the sum of the parts. This is not about all being one together because you all have your individual roles to play but there is a commonality of purpose that you must share in fulfilling your obligations. It is important that in this world that we're going towards and even have today which is more complex, that you need to be able to join up and be united in that endeavour. One that brings all your expertise, perspectives and resources to bear.

The people of the APS sure understand and have confidence in what they are striving to achieve and how well they are performing. In practise we believe this means setting a common purpose and a vision to unite and inspire the APS. And we strongly believe that this can only be developed by you, not by a panel that is sitting in a review of the public service. It is about you to define the vision and the purpose that you want to create for the public service.

It also means ensuring that the board of departmental secretaries, and many of them are here today, is collectively driving outcomes across the whole of service. Now, under legislation, the board has a powerful legislated mandate but there is great opportunity to strengthen the role of the board. As part of this, we need also well-defined and empowered critical leadership roles and to that, I'm speaking about the secretary of PMC who is the head of service and the APS commissioner is head of the people. These roles and their responsibilities should be very clearly understood and the mandate that they have.

The APS and the wider public also deserve to be clear on exactly what is expected of our APS leaders. They should have confidence in the processes that inform decisions on who those leaders are. Finally, the APS culture must invite and in fact welcome scrutiny and provide great transparency, making the most of the insight that others can provide. A good start, we believe, may be reinstating capability reviews with each department and large agency or how we can make the annual census maybe more openly available to others.

Our second priority is to build a flexible APS operating model. You all know that the service will be asked to take on new responsibilities, requiring you to reconfigure your teams and deploy your skills where and when is most appropriate. It also means being able to meet government priorities quickly and adeptly by bringing together the right people, the right insights, resources, energy from across the service to get the job done. As you would expect, we have heard many stories around machinery of government changes. These are ultimately the decisions for government to make but wouldn't it be great if the disruptive impact was at least lessened from what we see today?

This is why we see great potential to apply dynamic ways of working and different structures across the service regardless of department or agency. The objective is to make collaboration the norm, not the exception. We all know that budgets are tight, and I dare say, they will remain so going forward. But we think there are options, in fact opportunities to more strategically allocate funds and look at how we allocate capital and look at a whole of government view and also get the prioritisation processes even better.

Governments and the wider community rightly have great expectation of the public service. You should be resourced in ways that allow you to meet those expectations as efficiently as possible. So a generally flexible APS operating model will rely heavily on common processes and network systems, working right across the service.

And now, I know, there is a lot already happening in this area. But I believe it needs to go to a whole new level, particularly through initiatives to digitally enable the APS and you would expect me to say that. But, I don't say it lightly because I think we need to invest in the technology, the enabling platforms, that will allow you to get your job done more quickly and more effectively. And there are sophisticated systems and deep capabilities that we'll need around big data, AI and automation. Terms, I'm sure, you hear all the time.

So, the third priority for change that we're setting out today is about people. The APS needs to invest in capability and talent development. You know, really this is recognising a pretty simple truth. You know, the APS cannot deliver upon these priorities if we do not also prioritise the APS itself and its people. This means investing in its leadership, capability and diversity. And supporting all staff to be truly professional public service servants in the 21st century. I think it also means that we need to be future looking. We need to have a view around the strategic workforce and do more analysis about where and what capabilities we will need in the future.

We need to plan ahead, understanding not only what we need today or don't have, it's what we will need in the future and this will be demanding in terms of all the changes that we have. So, we propose to build and maintain the necessary skills, innovate across the service and provide new work opportunities. This includes a formal focus on professions or professionalisation of the APS of nearly all roles. This should encompass delivery, regulation and policy as well as key enabling functions such as HR, procurement and IT.

We are also looking at how we can better empower people managers and this is a part of the culture of the APS so that you're enabled to spend more time with your people in mentoring and in developing them so they can be impactful moving forward. We believe these are great opportunities and we think that the strategic approach to recruitment and people development will yield great returns in the future.

Also, we have looked at mobility and there's been a lot of work done on mobility. You know, we think it's important but it does need to be carefully planned. We need greater mobility across the public service. But greater mobility from private to public sector, from academic to private to public, we need to be an environment where people could come and go and move around. This is critical in terms of critical thinking and also the culture that we are creating.

These approaches to talent and capability development will, we think, ensure that we have a dynamic workforce, an empowered workforce going forward. We also believe there is an opportunity to reprioritise time, effort and resources so that

you can spend more time in deep research, analysis and evaluation. This is using the tools of big data and analytics. But this needs to underpin, not be just a one off project, this needs to fundamentally underpin what you do every day. And that is a big challenge.

We also see a heightened need over the coming years to ensure that there is an integrated approach to policy, social, economic, security and international perspectives. Now, to the last priority.

Our last priority is around building stronger internal and external partnerships. We believe that the APS' success in the decades going forward will be around building long-lasting, meaningful relationships. And I'll explain what I mean. And I think it will require a shift in mindset and approach. It means the APS must bring greater confidence in its role and contribution. But also, greater focus on how you partner with others in full transparency.

You have many different partnerships, they are many and varied. They go to state, territory, local governments, civil society, business, communities, service providers and, of course, the Australian public. This gives rise to some really exciting opportunities to rethink how the APS designs and delivers government services. For example, I see it as one ambition to ensure people can access seamless and personalised service and support.

You know, irrespective of what agency or department, whether it's state, territory or federal, it must be your vision. I know there is some work going on in that area. But that is got to be your design point. Irrespective of the boundaries that we artificially set. Stronger partnerships must be predicated on being open and accountable. We need transparency, we need open sharing of the information, engaging wildly. But of course, with due consideration.

Your stakeholders will appreciate an APS's proactive engaging with Australians on their views and expectations and I do commend the work that is going on in terms of the surveys out of PM&C that I think Martin has initiated. They are the sorts of proactive things that you need to do. For this reason, we're exploring approaches to other things around how you source services. You know, these relationships are very important in terms for goods and services, both from private and not for profit providers. This requires the knowledge, the skills to design, oversee and manage contractual relationships is very difficult.

But we need to be exceptional there. For this reason, we're going to explore procurement. How you can deliver better value and outcomes for Australians through being proficient right through that value chain.

Finally, it is clear the APS's critical relationship with executive and parliament has evolved over time. And we think we've identified some opportunities that we can strengthen that relationship. Key to this will be a commonly agreed understanding of the respective roles of each of those players. In particular, we should formally recognise the important role of ministerial advisors. We also think there is scope

to make it easier for ministers to access APS expertise and insights. And we think this is a very important area of consideration.

So that's the four priorities. They are the initiatives. Let me now just turn, as I get near the end, to implementation. Because implementation is probably more important than even these ideas up here. And we need to be realistic. Organisational change is not easy. It is incredibly hard and any of you who have been through organisational change would understand that. So we've gone through all the reviews that have been undertaken on the APS and we've examined them and it's been amazing. I think that probably nearly every recommendation I put up there has been already canvassed before.

So I'm under no illusions that we have a silver bullet here that will make everything different. But what surprised us was that many solutions and innovations had not been fully realised. Some changes lost momentum, maybe they were related to some individual. Others were less effective and maybe some of those good ideas were simply not good enough. But this tells us that one thing in recommending this change that we must get right is that we must focus in on implementing it. I'm also conscious, as I talk around that, that there is a thing that you call the authorising environment and I do say, "You call," because I don't use that language. But it's about the environment that is creative for you to be successful.

And I do believe the government needs to create an environment for you to be successful. And to get this right, we need to put a few essential things in place. And we will do that. But for us, we need to put in place a transformation capability. So, we need senior leaders who are going to lead and drive this change. We need an implementation team that will really come together to be measured and set targets and really deliver things that are going to be meaningful to the people in the service. And we do believe that you need a dedicated senior leader to do this. We also need to grab that power of the people that are out there who are so looking for your leadership.

If we get that right, I think that you can be assured of a very bright future because I've been very struck by this deep spirit of service right across the APS. You know, there really is a groundswell of change and I've been involved in many organisations and you can tell when change is afoot. And that goes from new recruits through to the secretaries and leaders of the APS. So 10 months ago when we were tasked for reviewing the APS to ensure it was fit for purpose in the decades ahead, we now need to move to shaping these initiatives and recommendations.

So we do want your thoughts on how to strengthen our proposals, your advice on what's missing and your insights on how to make lasting change in the APS. So I'm looking forward to our discussion this morning. And I'd encourage you to take this conversation back to the office so you can start to explore what does this mean and where does it work when it doesn't work and then bring those ideas forward. Because it's our APS, it's what we do with it that makes a difference. Now, as you always do, you try to find a quote to finish off a speech



like this. And unfortunately, we got a good quote but we couldn't quite work out who actually said it. Well, it was Abraham Lincoln or Peter Trucker which was ... What a contrast of options to have.

But I do agree with this one and it's talking about the future and it says, "The best way to predict the future is to create it." And that's what we have the opportunity to do. Too often, we think we are the victims of the world around us and I have the same thing. But when you take it and you say, "We can change," given the enabling environment, that's what we need to do. And I definitely think this is a journey that's worth going on. So thank you very much and I look forward to the conversation.

Elizabeth Kelly:

Thanks David. And wasn't that such a nice, gentle way he told us to stop complaining about the authorising environment and get on with it. Certainly, throwing down the cudgels, we're actually going to require some engagement from you, and we'll be using the audience polling tool and it'll be your chance to provide feedback on what David's just outlined. And I'm having the first question which is why of the four priorities for change will have the greatest impact on the future public service?

Okay. That's great, thank you everyone for that. I'm sure it will be reflected in the table conversation afterwards. And the second question, which of the four priorities for change do you think is going to be the most challenging to achieve? That's public sector euphemism for what's going to be the hardest. There's a fairly clear pattern emerging there.

Let's dive into the panel discussion and welcome David back on stage. And we also welcome Jo Evans, Deputy Secretary Department of Environment and Energy, Matt Yannopolous, Deputy Secretary Department of Health and Katherine Jones, Deputy Secretary of Department of Finance. We might just start, just going through each of the table representatives to just give us a taste of the reflections that were shared at their table. Katherine, did you want to begin?

Katherine Jones:

Great. Thanks Elizabeth. The Department of Finance table looked at the first issue around strengthen the culture of governance and leadership model. There's probably three key areas that we focused on. But stepping back, we did just make a general observation about the four areas of priority that had been put forward by the review. I think the general consensus is, there's absolutely something in there, in all four of them, that we've been discussing of a while. And I think you'd find it hard to disagree in general terms with the four areas of priority and the level of detail underneath them.

The issue is, do we all collectively recognise that this is a great opportunity to build on the platform of the review and actually go forward and implement? And I think that's the sort of almost historic challenge for all of us, collectively, now. Can we organise ourselves around the opportunity that comes with the review and probably the fact that we're in a critical part of the electoral cycle this year, regardless of the outcome of the election, it's an opportunity for reset within the public service.

So the three particular things that we drew out in our discussion was that issue of being able to identify and articulate a common purpose for the APS and I think that's particularly important for all our staff across the board in the APS to have that clear sense of what the overarching purpose of the service is. And how that inspires them and gives them a clear sense of direction in terms of what their role is as public servants in terms of part of the broader surface as well as in their individual departments.

The second issue we talked about were some of the issues that were raised in this topic around the role of secretaries and thanks for the opportunity to talk about that when there is about 10 secretaries sitting in the room at the moment. But, I think there's a recognition, the Secretaries Board plays a really important role but whether or not there is a sufficient visibility around the role of the Secretaries Board. I know there is a whole range of mechanisms around which secretaries collaborate and cooperate, whether it's Secretaries Board or Diversity Council or Secretaries Committee on national security, a whole range of them.

But, that's probably not as well-known as it should be across the service. And I think there's an opportunity through the recommendations of the review to really think about how the operation model for the Secretaries Board, how that can be enshrined in a formal way and how that can drive a different approach to operating across government which is recognising the collective responsibility of the Secretaries Board for driving outcomes and then driving that through the service as a whole.

So people don't approach solving problems from the perspective of being the Department of Finance of person or the Department of Health person, but they approach solving problems from the perspective of being an APS officer who's charged with collaborating to solve whole of service outcomes.

We also talked about if we are really committed and serious to building on the outcomes of the review. We have to recognise that driving change is really challenging, it can't be something that people do in a couple of hours through the course of the day after you've done your day job. And any department that's gone through a transformation process will tell you that they need to consider how they organise themselves within their department. And I'm involved in something called a transformation community of practice where practitioners of change get together to talk about that. And just about every department across the APS has a different model for trying to promote change in their own organisations but everyone, I think, recognises, that you got to have some dedicated resourcing for that in an ongoing way.

And we think that's something that we have to do for the service as a whole, coming out of the implementation of the review. That's not suggesting that we were advocating for setting up a department of transformation or anything like that but there has to be ongoing dedicated resourcing to support it.

Elizabeth Kelly:

Matt.

M Yannopoulos: Thank you and good morning all. So, I'll probably summarise around the streams idea, so the third area. So a lot of positivity about the notion that we would have a broader set of professional streams. But I guess the first observation being that we really need to ensure we also have a common underpinning skillset that is how government works, how the financial system works, how the budget process works. So really that, if you like, core basic understanding of what the public service is about.

We observed that particularly when we talked about secondments and the success or otherwise of private sector people joining our ranks and how well that's gone when they haven't had that fundamental understanding of how government works.

We've definitely supported the idea that it's a priority to build these professional streams but it's not an either or. It must be both that first point I made. We thought about, so for accountants like me, there is a whole professional process. There is CPA or chartered but for data and analytics, there is really nothing that's drawing that together. And so we need to really invest in what are those skill sets and streams and what are we going to put around them to give them the same sort of prestige and development pathway that the others enjoy.

We talked a bit about in terms of workforce strategy and workforce planning, we're not very good at making choices about what we contract in versus what we build in house. We tend to be responsive to the current fiscal rules versus actually taking a longer term view about what are the core skill sets that we want in the public sector and which ones should we just buy and search when we need to?

We talked about the reality of our industrial relations challenge. Why is it hard to build more capability? Because usually, we can outline what we want but when it comes to the implementation of that, we find that, well, we've got the capability we currently have and we're very slow to make the sorts of decisions that actually private sector firms seem to make fairly readily in technical obsolescence and they just change and move that workforce on whereas we really seem to struggle to do that.

And so our final point then was the capability that we think we all need is relatively clear and many of us have been discussing it for the last few years. But the transition to that and, if you like, then the implementation, thinking that has to come out of this plan is where the success will be measured.

Elizabeth Kelly: Jo.

Jo Evans: Thanks everyone and some really similar themes coming up through the discussion that we had at the environment and energy table. I'm very much ... And we talked about a particular theme, we probably ended up talking more about the culture, governance and leadership model ideas. But actually, we were talking right across the span of the priorities and initiatives and I guess the main thing we talked about is this sense of, like Katherine said, it's really hard to disagree with the way that the initiatives and priorities are characterised. And the

real challenge is how do we move from where we are now to this set of priorities and initiatives. And some of the initiatives in some ways are less initiatives as they are statements of aspiration about where we want to be.

And so the real challenge is how do we move from where we are now to there and you know, reflecting back on the fact that a lot of these sentiments are things we've seen in previous reform agendas or previous reports and so on, our sense is that some of the reason that those earlier reports have fallen over or have been let go off over time is 'cause there's not quite tangibility about what it is that actually has to happen to make the change real. And if we get a little bit more of that, then we can move away from things that might sort of otherwise be more of a sense of direction and purpose to something that's actually about what's the plan and what are the steps we have to do.

And then we did talk about that sense of ownership as well. and again, perhaps our reflections of some of the earlier reforms and I had the privilege of being involved in the *Ahead of the Game* report, I was on that advisory group. And our reflection was that that particular one was very much anchored to the time of Kevin Rudd and it was also anchored to Terry Moran, particular individuals who have moved on and so again, that's possibly one of the reasons why these things have then lost momentum.

So, very much important from our table's perspective and like Katherine, like I was nervous to say it in front of all of the secretaries who are here, but it really does rely on having the secretaries and the secretaries' board lead, own, drive this and drive it in a really unified way. And you know, we also talked about the visibility of that group and while they are a very significant group, they're playing an incredibly important role, they're not really as visible as we probably need them to be if we're going to use them as the leadership group for the reform.

So those were the biggest things that we talked about. Perhaps just two other comments to leave you with, these observations we had is one was the sense that the way that these priorities and initiatives are currently reflected still feels a little on the internally facing, it's sort of an APS set of priorities, talking to the APS about the APS. And if we really want them to be relevant and to last, then we need to make the process of change much more relevant to the Australian public and the people that we're serving.

And the other one was, David, you said you're looking for big ambition, the terms of reference wanted ambition and so our question was, "Well, where is the ambition in here?" Even though it's a very ambition vision, if you like, to get to this state of Nirvana where everything is working collaboratively. But what is it exactly that's going to happen? Is there going to be a conscious legislative change rather than just continuing of what we've got now but trying to do things differently? And whether that will come through in the next iteration of the report or not.

So that's the kind of discussion we had at our table.

Elizabeth Kelly:

Thanks Jo. I'll just give my reflections from my table and then, if I could ask people if they have questions to get their questions ready and we'll have microphones roving around the room, ready to take those questions. My table had our usual robust discussion and Heather was away so we were able to completely cut loose. So, one reflection was, "Oh, these four priorities for change seem a bit naff, we've heard them all before." And then another very perceptive member of the table said, "Maybe what the review is doing is forcing us to hold a mirror up to ourselves and to be honest about the extent to which we are really working on those things that seem self-evident." So we thought that was really something to think about.

We thought that the stronger Secretaries Board was important and I think that a lot of that reflects our strategic position within government. Small agencies want a stronger Secretaries Board. We are 0.7% of outlays, we know exactly our influence within government. So we want a stronger Secretaries Board. We were also influenced very much by the fact that we've kind of had a glimpse of it when we ran the super portfolio briefly last year. And, whilst it wasn't perfect and we actually had a glimpse of when two secretaries, Kerry and Heather, both incredibly committed to trying to work differently. And for that period, we did work differently and it's the first time that I have seen two agencies work as one on a number of things together. And that was our result of the leadership, of Kerry and Heather, the things that we were working on at the time were things that we could not work on alone.

And so we've had a glimpse of what working across portfolios can be like. And how it can be very natural and effective and it can be a great way of working. So, for all of the people who put the hardest as a new operating model, I think we've got a glimpse that it's achievable and we think it's going to be important. And there is also other great initiatives like the domestic social policy group that's come up where we're trying across government to start to do these things and those structures are working.

We were disappointed but not surprised that relationships scored as not having great impact and as hard because we thought that sometimes, we had a fairly robust discussion with our different views, we think sometimes we think we've got all the answers and so we don't look outside because as the Commonwealth is full of really clever people and we do have a lot of answers, but sometimes, we think that we have them all. And so maybe that is something that should cause us to reflect on the extent to which we are looking outside. And sometimes, I think that explains our attraction to things like governance 'cause governance are things that we can do and we can control and they are about us running ourselves.

So, I think there were some strong views on our table that cleverness is not going to solve the problems that we face. It's going to need more than that. And certainly a strong view that we need to think about whether or not we're really capturing a bottom up view of change and connecting with the problems of people on the ground. And really understanding that when the metrics for so many of the things that we do aren't improving over the long term, are we really

thinking that we can continue to go on as we are? And if we are, should we be challenging that? So they were the reflections from our table.

I'll open it to the floor for questions. But while we are getting our questions, I might start with the first one for David, actually. One of the things, as I was going through the report last night, and I was really interested that you didn't mention it in your speech 'cause for me, it was a real headline that in the report released today, the review team had found that 40% of the activities within APS jobs are automatable. And so, the answer to the resources question that I know many of the tables were discussed may well lie in that very statistic. And so, I'm really interested that you didn't raise that as a headline item. I'm interested in why and is that our solution.? I mean, I don't need you to tell us that, I think that is part of our solution.

David Thodey: Yeah. Well, I didn't mention the number but I didn't mention many numbers today. I did talk about workforce planning which we have done. Yeah, the statistic which is no different to any large organisation in Australia and around the world is that 40% of the tasks, not jobs, tasks, that are done could be subject to automation, up to 40%.

And I think that's a really important thing. Technology comes and we've already been through many different technology shifts historically. So it's nothing new. But if you don't face into the challenge, then you don't prepare for it. And of course, it can be taken out of context. Say, suddenly there is a headline, 40% of all jobs in the public sector is going to go. That's not what we're saying. We're saying, "These tasks will be automated. We need to plan for it." It's no different to the statistic that in 1915 70% of all jobs were in agriculture and today, what? It's less than 7%. So life changes. So it's not a big deal, it's just the reality of the impact of technology.

So, yes, we do think that there's a very important role by department, agency and the whole of public service that we should be staring into this issue and getting ahead of it and creating new opportunities for our people to move through a new skillset. Yeah.

Elizabeth Kelly: Okay. Are there questions from the floor?

Speaker 6: I don't get any sense from what we have been talking about as to whether the state of the public service has been looked at as part of this review? I mean, what's been done well, what's been done not so well? You need a baseline, surely, to go forward from.

David Thodey: The answer to that is, yes, we have. But remember, I do want to be clear that we're looking over two decades. So there's two things you need to do. You need to have some ideas of what the future may hold. But it's impossible to be predictive as you know. And in terms of the baseline, in the report, you'll see quite a bit of data around what the current view of the public service is about themselves. And remember, we have done, I think there is seven or eight NSOC

reports that have been written, that have been published today that have provided the baseline for us.

But today was not to go over that baseline. It was to say what we think we need to do going forward. But we can ... I'm sorry, I don't know where you are now but we can get some information to you. But yes, a lot of the work has been trying to get a baseline set of data.

By the way, I will say, the public service isn't broken. I mean, you guys do pretty well and there's lots of capability. Are there room for improvement? Absolutely. And there's some parts of the community, very focused on what's wrong. I'm more focusing on what's right and how we build for the future.

Elizabeth Kelly: Thanks David. Any other questions?

Nick Ellis: Hi, Nick Ellis from the Public Sector Innovation Network which is part of the Department of Industry, Innovation and Science and we were sort of maybe challenging the idea that we're okay and we're doing things all right in order to build a better story. How might we get a burning platform to actually make these changes take hold? Most of the transformations that really take place like for example with the Australian Tax Office, there have been serious consequences if the changes didn't happen. And a lot of the time, the sorts of changes that we want to make here, how can we convince people that this is something that absolutely needs to happen? You know, we're in some sort of trouble if it doesn't.

David Thodey: Right. Well, let me give you a slightly different view on that one. I've wondered for years, why is it that organisations sort of lurch from burning platform to burning platform, that the only way you can ever truly get change is by everything being a disaster and we've got to correct ourselves? I don't know what you're like, but I find that type pretty tiring and emotionally draining and I don't think it drives sustainable change.

So, I have a slightly different way of driving change. If you look at who we serve which are the citizens of Australia, the government and the parliament, you have all the incentive you need to change. It's just like running an organisation around customer service. So customer-centricity or citizen-centricity has become very popular. If you truly, if you truly will be measured by what people say about you and take that at face value, you have all the need to change that you need because people are incredibly demanding. And they will ask you to change all the time.

So we talk around external externalities and I think someone said, "Maybe some of these transformations look a little bit too internally." Underpinning, this must be our desire to better serve Australians, the nation, the parliament and the government. And you know that you are encouraged many days to be better in many different ways. Use that as a driver for change and then I think we'll be okay.

So I'm not looking for a burning platform. I think that I can make one up but there isn't one. Except technology etc.

Elizabeth Kelly: And I think that might be one of the ... Together with the authorising environment complaint, the fact that the global financial crisis didn't strike in the way that it had hit other countries was the other complaint that we have, that's why we don't have a burning platform, that's why we haven't been able to change. So, my reflection is that sometimes we think we are serving the country. But, what the review is saying is we should be serving the citizens. So we need to just lift.

David Thodey: That's a good point.

Elizabeth Kelly: To lower our sights to actually seeing what the impact is on Australian people every day and what we do. And our inspiration should come from making that better and better and thinking of things to do for Australian citizens before they even think that they need them is what should be inspiring us.

Katherine Jones: Could I just also add one point. I think sometimes ... One of the early conversations when the review was kicked off was about being fit for purpose and needing to respond to the challenge of the future of work. And, I sometimes find that language just a little bit alienating 'cause we think about that something that's out there coming at us. But if you think about all the key aspects of what is the future of work, it's actually now. It's the current of work. It's diversity, flexibility, mobility, it's being able to use data, it's being digital, it's thinking about the opportunities of process automation and AI.

And across the breadth of the service, we're grappling with those things. But, I think the challenge is, how can we do it in a much more strategic, purposeful way with a view to serving citizens and connecting that. So, I think some of our narrative and some of our language perhaps has led us to think that we're crouching, getting ready for something coming at us as opposed to being in the driver seat and being able to meet the challenge.

David Thodey: That's good. That's good.

Elizabeth Kelly: There's another question up the back.

David Thodey: Just as that question is coming, you do need to get the voice of the citizen through to people. What I'm sure some people sitting here are saying, "Well, I don't. Our division doesn't work with citizens. We give policy advice to the government or I do regulation." I'm sorry, every one of you, every one of you in some way impacts the citizens of Australia. And I think that's a really important message. What would be great is to have some metric because without metrics, there is no ambition. By the way, the art to the ambition is, we got to get numbers about what we aspire to do and how we actually gauge that opinion of the citizen.



And it will be an opinion and you'll say, "Oh, that's wrong." But, they are always right, unfortunately. In some way. Odd maths. Okay.

Elizabeth Kelly: Randall, I think, has a question. Oh, over here.

John Halligan: John Halligan, University of Canberra.

David Thodey: Hi John.

John Halligan: Well, David, I could ask at least 10 questions but we're very short on time. So, I confine myself to the one about professions.

David Thodey: Right.

John Halligan: And just push you a bit on that. Now, we know that New Zealand and the UK have gone in that direction but in somewhat different ways and Canada is also thinking about it. But there is a question of what sort of model you are going for and what your expectations are for it because I thought you said that everyone will end up being in a profession which is starting to sound a bit like Manzoni's approach for...

David Thodey: You're right.

John Halligan: Manzoni is the head of the Civil Service under the Cabinet Secretary.

David Thodey: Right.

John Halligan: And my understanding is everyone goes into a functional area or a profession and part of the agenda there is to break the continuing generalist mentality which is not, I think, as I understand it an issue here. But there is a question of to what extent thinking these professions as networks will necessarily alone be sufficient to say you strengthen capability and collaboration? Thank you.

David Thodey: Great. Well, John, a really good question. And there is a lot of subtlety in this one. The answer is no, we are not trying to go to the UK model and this very rigid professional alignment and in fact, at times it appeared to be just about organisational. We are not saying that. The Canadians did something a little bit more, I think, what would I say ... Well, a little more generic. Look, what we try to do is build capability.

So to go back to the objective of professionals is building capability. What we've heard a lot of is the hollowing out of capability in the public service. You've heard the story. I mean, there is a lot of words I didn't use today because they probably weren't right for the speech. But what we're trying to do is try to build capability that you really have deep domain knowledge and the only way I know to do that is to create professions where people can learn and be developed. Is that a rigid, structured, everyone in one box? No, it can't be because life and jobs and work are not like that.

So there needs to be some flexibility. But when I use the word all, and when we were reviewing this page, I was like, "Should I say all or not?" I'd like to think everyone's sort of got some place to go but I don't want it to be rigid, box-like, hold in. It's about building capability. That's why we think the professions model is so important. And we can have long-term development and long-term investment in people's capability and career. So John, does that give you a bit of a sense? So I actually think it will be a hybrid between the UK and the Canadian model. I mean, we've got to put it into our environment, take best learnings and then put it into this environment. But I think there's a lot we can learn and do from them.

Elizabeth Kelly: Last question.

Speaker 9: The aspiration and the priorities all make absolute sense. When we get into implementation, though, what is the review team's thoughts on how we make this about everybody and not just about a transformation team because all of us are involved in running operations as well as changing them. How can we make sure that everybody sees themselves as part of this?

David Thodey: Right. Well, I think it's, as I said, it is really important that you capture the great ideas, the energy, and the expectations of the people that you lead. This is probably as important as having strong leadership and dedicated leadership. Look, the only way I know how to do that is to lay out real, honest aspiration and get people engaged in finding the solutions. I'm always amazed that ... You know, here is David Thodey, coming in to do a review. Quite honestly, I mean, you don't need me as nice as I am.

It's you and your people that have the capability to change. And I sense ... One generic comment I would make, as much as you want to be open and getting good ideas coming in, you're very capable. And you are absolutely able to go and get this change done and you should. And the way you do that, if you put that opportunity out to the people that you're leading, I am absolutely convinced they will respond at 150% because they see the problems or the challenges every day. So, you need to have that groundswell but you do need structure and you need programmes and you'll need to, if you talk around your culture and your values, what does that mean? What do we really mean by a merit-based system. There's lots of detail that you need to work through. And you need to have that in an open and transparent way.

None of us are perfect, none of us have all the answers but if you do that, I am absolutely convinced that you'll be more than fit for purpose, you'll be, I don't know, leading with purpose. I don't know. But I think you've got it all at your fingertips.

Elizabeth Kelly: Okay thank you. I'd like to thank everyone for their contributions today. It's been a great discussion and I hope it's given you not only an interesting morning to go away and continue to reflect on and to discuss with your colleagues back in your departments. Could I ask everyone to join me in thanking today's panel.