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TRANSCRIPT OF PODCAST

WORK WITH PURPOSE
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DAVID PEMBROKE: Hello, ladies and gentlemen, and welcome to Work with Purpose, a podcast about the Australian Public Service. My name's David Pembroke, thanks for joining me. I begin today's podcast by acknowledging the Traditional Custodians of the land on which we meet today, the Ngunnawal people, and pay my respects to their Elders past, present and emerging, and acknowledge the ongoing contribution they make to the life of our city and this region. So as life in the Australian Public Service continues to move at a scorching pace in delivering the priorities of the government, the increasing influence of digital technology and data in defining new ways of working in order to deliver value for citizens has never been more important. At the heart of this transformation is the mission to make the lives of Australians simpler, safer, and better. Now, nowhere is this mission more obvious or more important than the work of the National Disability Insurance Agency, which is implementing a program to deliver individualised self-directed care packages to over a half a million Australians.

DAVID PEMBROKE: The man with his hands on the steering wheel is Martin Hoffman. Martin was appointed to the position of the Chief Executive Officer of the NDIA in November of 2019. He has previously held senior positions in the APS, in the Department of Industry and Science and Prime Minister and Cabinet, and was the Secretary of the Department of Finance, Services and Innovation in New South Wales from 2015 to 2019. Prior to that, Martin worked in the private sector, mainly in digital media and technology, holding senior roles with Optus, the Garvan Institute of Medical Research and Fairfax Media. He was also, for a few years, the Chief Executive Officer of Nine MSN. Interestingly, after the last federal election, he came back into the APS as the head of the Services Australia taskforce, which is where I would like to begin our conversation today. So Martin Hoffman, welcome to Work with Purpose.

MARTIN HOFFMAN: David, thank you very much. Great to be with you.

DAVID PEMBROKE: So listen, what is the secret if the Australian Public Service is to become more citizen or customer centric?

MARTIN HOFFMAN: Well, that would be the magic test, et cetera. Look, I think the Australian Public Service and public services around the country generally do a pretty good job in exactly that. And they get ranked and rated differently, but there's certainly no lack of will and no lack of intent. People sign up and there is a tremendous sense of mission and purpose amongst APS in whatever agency you are. It might be particularly the case in agencies that have that direct, tangible service and care component to them, but it's true across the board. So that's a great foundation to build on. You've then got to say, of course, that ... and that's one of the great things that I find working in the public sector, is it is just complex and there's a lot of ambiguity going on.

MARTIN HOFFMAN: You're trying to deal with a number of things, be it the direction of the government, be it budget processes, be it governance and control processes, audit processes, procurement processes. All those things have to be balanced and sometimes they aren't completely optimal, one might say, for delivering a perfect, or focusing solely on citizen centricity or customer service or delighting the citizen, et cetera. But I think overall, there's no doubt that the intent is there, the understanding is there. And within the constraints that the system has, and many of those constraints are there for a very good reason, the APS as a whole is doing pretty well on that. And we see that in some of the international comparisons, some of the citizen satisfaction surveys that are done and so on.

DAVID PEMBROKE: So when you came back into that role in that Services Australia taskforce, coming back from New South Wales and the experiences with Services New South Wales, what did you see that was a contrast, that was a difference from working in at a state government level in service delivery, and then observing what was happening at a federal level?

MARTIN HOFFMAN: Well, the fundamental difference ... and this is, again, in some ways, to defend the APS, Service New South Wales is an amazing achievement and it's recognised around the world. And when I was there, we would have visiting crews from the public sectors in different countries every month, wanting to see what had been done. But you have to remember that most of the services that the state provides, that a state provides through something like Service New South Wales, are things where the citizen pays the government money and gets something valuable in return. So the citizen comes in and renews their driver's licence and gets the right to drive and a form of identification, registers their car or their boat or their caravan, and then can use that piece of equipment. Or renews their trade licence as a plumber or an electrician, and so can do their work.

MARTIN HOFFMAN: So it's the citizen paying government and receiving a tangible benefit or right in return. And it's actually very easy to conceive of that in customer transaction terms and say we can really make that experience better, we can delight the customer, we can make it quicker, easier, we can recognise the customer and know who they are, know what other licences are coming up. We can remind them that they've got to renew by this date because when we know that. And you can really see how that can ... you can find a whole variety of ways to deliver a customer service in that sense. But when you come to something like Services Australia or DHS, Department of Human Services, as it was known, in some ways the transactions are reversed. There it is, the government giving money to the citizen if that citizen meets and maintains certain criteria, be it age, disability pensions, be it unemployment benefits and the various obligations that go along with that.

MARTIN HOFFMAN: And so it's quite a different transaction in the sense that there's much more about needing to check eligibility and the maintenance of eligibility. There's a higher control environment because it's taxpayers' money that is being paid out. So the sorts of transactions are fundamentally different, and that's a really important point to realise. Having said that, of course, some of the basics are absolutely the same and should be in terms of speed of service, quality of service, the ability to join up systems so that you have ... it's not so much government having a single view of the citizen, some citizens are wary of that, but it's more giving the citizen a single view of government or a single view of their interactions with government. And so that's the direction that the myGov platform is heading in, for example. And when you get those sorts of underpinning, underlying capabilities, you really start to be able to do a much better job.

DAVID PEMBROKE: So in terms of that compliance mindset versus customer service mindset, again, what are the cultural elements that you need to be able to get the performance that you need out of your teams in order to deliver for Australians, taking into account exactly what you said before around that complexity and ambiguity and requirements that public services have to stick to the rules in many ways?

MARTIN HOFFMAN: Yeah. I mean, it's a really important point. And again, it's a matter of balance. Because it's not as if there aren't compliance requirements at the state level either. You want to give the driver's licence to the right people and not be giving out driver's licences in false names. You want to make sure that the plumber who gets his plumbing licence is actually qualified and capable and doing a good job, and not going to leave your bathroom in a mess if he's the one who come or she's the one that come and does the work. So there are compliance bits on both sides. So it is important to understand the balance that you're trying to achieve there. I think it's helpful to be clear about the roles of different teams in different areas.

MARTIN HOFFMAN: And one might be focusing more on the speed and quality of interactions, others will have a dedicated compliance or investigation or enforcement area, so a degree of specialisation can help. There's also just that mindset that in compliance you want some sort of graduated pyramid as it were where you're assuming that, and I think validly assuming, that the great majority of people want to comply with their obligations. And so a lot of it comes down to, well, are those obligations clear? Are they able to be understood and communicated? Are you making it easy to comply? And so on, rather than starting from a mindset of, everyone's trying to rip off the government.

DAVID PEMBROKE: Mm-hmm. So listen, you were in charge of that Services Australia taskforce, but then moved into this role that you have now, of the head of the NDIA. What was your first impressions when you arrived at the NDIA in terms of how the actual National Disability Insurance

Scheme was operating and serving the needs of the disability community?

MARTIN HOFFMAN:

Well, it was doing a good job, had a tremendous ambition, there was tremendous goodwill in the agency and in the wider sector with people wanting it to be successful. And that was one of the first big things that I found. The scale of the task that had been taken on though was really huge in that in a few short years we're attempting to build a whole new agency, build a whole new system, bring hundreds of thousands of people across from their existing programs and supports and systems at a state level that they may have been involved with and using for decades into a new system, into a new agency. We were then changing the way their service providers, the way their business models worked across the whole sector. Whereas previously the provider had received funding from governments, now we'd switch the funding flow and the funds were going to the participant, to the person with disability, who then engaged with providers. And so the extent and ambition of the change was just huge.

MARTIN HOFFMAN:

And probably not surprisingly in that, it meant that some of the systems, the processes, the timeliness was challenged. And so the government went to the last election with a promise of a participant service guarantee to actually legislate some time standards and some approaches to this. But even before that legislation was drafted and it's to come into parliament this year after having been delayed because of COVID last year, we were making significant improvements in the wait lists and backlogs across the board. And that's really made a huge difference to people's experience of the system that they aren't waiting now as they used to for months for decisions to be made, for funds to flow, for supports to be right. Now, that's not to mean when you're dealing with a system that is trying to provide individualised customised services for approaching 450,000 people now, right across Australia, that doesn't mean that we get everything right every day. But we've certainly seen significant improvements over the past year.

DAVID PEMBROKE:

It beggars belief really thinking about the complexity and the challenge that you've just described, and then you introduce the COVID-19 pandemic. Can you tell me that story, as to what happened inside the NDIA and inside the whole system, really, as you move to adapt to what would now be completely different circumstances?

MARTIN HOFFMAN:

Well, that's right. And it certainly was a challenge. But the disability sector actually performed ... and I say the sector, not just the agency, but the entire sector, actually performed extraordinarily well. And rates of infection and death rates, which are very low in Australia overall, but are even lower proportionately amongst people with disability, is really a credit to them and to the sector, the provider sector itself. I think-

DAVID PEMBROKE:

What do you put that down to, as a matter of interest?

MARTIN HOFFMAN:

I put it down to a few things. Firstly, the genuine care that is there in the sector, the genuine personal relationships that are built up, the fact that we've already moved a long way away from the very large-scale institutional settings. So the average disability residential home has potentially four or maybe five, or is probably even a little bit smaller than that, three to four people with disability on average. That's a very different structure. And then aged care facilities, which can have average residence numbers above 50, above 100. So there's a real structural difference there. It's also just a much more diverse population, there are obviously people in residential homes or facilities or group homes range of phrases. But there's also many people with disability living in the community by themselves or with family, and that creates a difference as well.

MARTIN HOFFMAN:

Of course, many of our participants are actually children living with families. And I think it's also a huge credit to the care and love and dedication that so many parents give to their children with disability. I mean, it was extraordinarily hard, particularly in Victoria, Melbourne during lockdown when there was necessarily disruption to some of the services that may have been delivered for families. But it's a credit to the way, as I said, the dedication and love that is there in the sector. I think some of the providers also responded quite innovatively and we saw a huge shift in the provision of services to video means, and dance classes that were done in groups were now done on video, two-way video. And of course, everybody became an expert in Zoom and Teams, et cetera. And the pivoting that providers showed in the restructuring the way they delivered some of their services and support was really quite innovative, and I think made a big difference to people.

DAVID PEMBROKE:

I think this point that you've raised really around a sector and the performance of the sector and the role, not only of government but of providers and the recipients, et cetera, is quite interesting and important I think as we move to this next phase of dealing with the pandemic and rolling through it over the next few years. Because it's really going to be government as a participant in the sector and needing to adapt and to change. What experience or what advice perhaps would you be able to offer other people working inside the APS as government becomes much more a part of a sector, much more joined up and much more connected as we deal with the challenges of the next stage of the COVID-19 pandemic?

MARTIN HOFFMAN:

Well, I think it's important to try and be clear about the roles that you're playing. And government plays many different roles from being the funder or the purchaser of services, and there are different things as well. We are the funder of services, but we're not the purchaser, the individual participant is the purchaser. We can be a regulator and a quality and safeguards provider as well. And so we have a sister

agency called the Quality and Safeguards Commission for the NDIS. So we've separated those functions from the agency operating the scheme to the Quality and Safeguards Commission providing the regulatory function to the scheme. So I think some clarity and a time separation of roles and functions is important, and being clear internally with yourself but then also externally with the sector about what roles and responsibilities you are taking on and which ones you are not.

MARTIN HOFFMAN: Now, of course that can be a challenge as well, because ultimately people often start to think, well if it goes wrong, government must be responsible. And so you might think you've got responsibility only going this far, but when it goes wrong, you're going to be responsible or at least blamed for it going that far further. So just being aware of that upfront is a pretty important thing.

DAVID PEMBROKE: But it's interesting, in a recent speech that you gave to CEDA, you actually called that out in terms of communications and the importance of communication. So again, what's your advice in that space in terms of government agencies being able to clearly define and communicate roles and responsibilities? So is it there is an understanding of what government can do and can't do and what its role and responsibility might be in the operation of the sector?

MARTIN HOFFMAN: Yeah, I think that's a really interesting point. And look, I would never say that we get it right or I get it right all the time at all, that we couldn't be doing it better. But I think, and this suits my personal style as well, I do believe citizens are sophisticated consumers of communications these days, and know when it's spin or fluff. And being so overly positive in your messaging doesn't work. And so being direct and clearer, saying no early, answering the question in the piece of corro that the person wrote, even if you think they might not like that answer, is going to go a lot further than giving the generic positive talking points. Another example of that is ... and again, this is well known, and I'm not saying we do it perfectly all the time either, but being clearer about what is consultation and what is communication.

MARTIN HOFFMAN: When are you announcing what something is going to be and when are you genuinely saying, tell us what you think because we haven't decided everything yet. And not mixing up when you're communicating or informing and when you're consulting or even co-designing because those things all exist on a continuum, I think is pretty important these days. We saw that in ... to go circle back to the COVID situation, we saw that with the very open communication that was there from Commonwealth and State Governments, where every day ... and they sometimes came in through criticism, but every day the Premiers were there giving all the numbers. And not just the numbers of cases, but the numbers in hospital, the numbers in ICU, the capacity of ICU that was used up, the number of tests that were done, the positive results, et cetera. The negative results, every bit of data was out there day after day.

MARTIN HOFFMAN: And there were people building their own spreadsheets and their own models and so forth. I think that gave a lot of confidence that, well, we were getting the data and then yes, there'd be commentary about it, but people could look at their own data and do their own assessment of the trends and the forecast, et cetera. I think that actually made a real difference.

DAVID PEMBROKE: So how do you build confidence in your staff then to be more forthright, to be more open, to encourage them to perhaps make decisions and take risks? What's your method in terms of building that capability into your organisation, such that the trust between you and the recipients of the National Disability Insurance Scheme can have with government as an organiser of the system?

MARTIN HOFFMAN: Yeah, no, it's a great question, David. And again, I never like to say, look, I'm perfect and I do it super well and et cetera. But the way you create that in an organisation has to start with the way you personally act and the way you personally interact with staff. So like a lot of staff, like a lot of leaders, I do a weekly email to the whole organisation. I write it myself, put a fair bit of thought into the messaging, trying constantly to be more direct, be as open as I can be, as honest as I can, use the active voice not passive voice, use Anglo-Saxon words rather than Latin derived words, keep it simpler. I don't mean, those Anglo-Saxon words. I mean, one syllable words like stop rather than cessation, for example. It's a small joke, but it goes to the point about trying to be direct and clear.

MARTIN HOFFMAN: When staff from across the country email me, I read every one of those emails and I answer them myself. It takes up time, but what you're hoping is that that impact to one person has a ripple effect. When they say, gee, I emailed the CEO and I got an email back, even though I'm in the Bendigo office in Victoria and he's never been here. So being consistent in the communications. When I'm sick of talking about something, it's probably true that some of the staff are just hearing it for the first time or are just believing that he really means it and he's going to keep talking about this because he never shuts up about it. So that consistency of messaging rather than jumping from one thing to the next the whole time is super important. I think it goes to that balance that staff want.

MARTIN HOFFMAN: They want confidence, particularly in the COVID crisis, they want confidence and positivity that it's going to be all right, that the agency is going to get through this, that our participants are going to be all right, that we're going to cope. So they want to see the leader, the manager with confidence and positivity. But the paradox is, they also want reality. They want the truth, the brutal facts, and it's sometimes referred to as the Stockdale paradox. This idea that you've got to maintain absolute faith that you'll be successful, while still confronting the brutal reality as to how bad the situation today might be. Because people know when IT systems are broken or are slow and they know

when processes are silly and get in the way, and trying to spin that just makes it worse.

DAVID PEMBROKE:

Just a final question, if I may, and it probably goes back to the introduction where we spoke about digital technology and the use of data. And this is really in your wheelhouse as someone who really has come through the digital technology customer experience expertise in many of your jobs, both in the private sector, I might add, and the public sector. What are your observations really? And perhaps some of ... if you're looking 12, 18 months into the future, not just in your role at the NDIA, but more broadly about the impacts of technology and data? And how can the APS get ready to be effective at a time of continued and massive change, whether it be at a local level, a national level, a geopolitical level in different sectors? There's so much going on, how indeed can the APS wrap its arms around the technology and data opportunity in order to deliver for all Australians?

MARTIN HOFFMAN:

Well, it's a huge question and challenge and opportunity and I'm not sure I have a super profound answer to it. I mean, there is no doubt that we're still a little caught between, on the one hand, the very real and genuine concerns about privacy and misuse of data and government knowing too much. And on the other hand, the real opportunities and benefits for genuinely better service and engagement that data and technology can deliver. There's no simple pat answer to that, that's an ongoing tension and balance that has to be managed constantly. And we need to bring in the hard thinking of ethics and purpose and intent and disclosure right the way through, or we won't get that prize. There is then, secondly, just a genuine need for skill upgrading.

MARTIN HOFFMAN:

And you're seeing the APS, in particular, trying to do that with the appointment of leaders for particular skill sets and capabilities across the sector as a whole and wanting to invest in that. I think we send signals by the sort of people who get promoted, by the sort of backgrounds and skill sets that they have. And so you would want to see, you would expect to see, if we were really going to grasp the opportunity, as you said, that leaders come with some capability in data, in service delivery, in understanding of what that actually takes as much as high-level policy. The third thing to say on that would be, it is important that we do investment, IT and tech investment well. And there are different ways these days to do that. The massive IT projects that are hundreds of millions of dollars long and are set up as IT projects, I think there is a growing understanding that that's not the way to do it. We're getting that experience from around the world.

MARTIN HOFFMAN: I don't want to use the buzzwords of agile and all that sort of stuff, but what I'm really saying is we need to start with the data models themselves. And then you really need to see it, not as a project that you fund this project and it finishes in a certain time, be it three years or five years, and then you go back to business as usual. But that we fund products and we fund teams, and that is ongoing as they iterate the software constantly. The best tech companies, consumer tech companies, don't do IT projects at all, they have a product that is constantly being iterated and updated and enhanced. And we need some of that same mindset. It was once explained to me that you will know when the government is getting there when there are more jobs advertised for product managers than project managers. And I think that's a change that shows an organisation is starting to mature in its use of tech for digital outcomes and for customer service benefits.

DAVID PEMBROKE: A final question, and perhaps just back to the NDIA, looking forward 12, 18 months, what are your priorities, what are your challenges, and what are your opportunities? What are the things that you're going to be focused on? Perhaps the key three things that you're going to focus on in this next 12 to 18 month period in order to, again, deliver for those in the disability community?

MARTIN HOFFMAN: Well, we are right in the midst of a major reform of the scheme, which sounds strange in some ways. But I mean, we've finished the phase of building the scheme and getting set almost 450,000 Australians, 200,000 of which are receiving support for the very first time into the scheme. And so the great rush to get people access and then to get them their first plan is a bating now. And we're really turning to, well, what does the experience actually look like and how do we make the scheme sustainable as an insurance scheme going forward. Because the needs and the goals of people with disability, like everybody, keep increasing and we've got to get the balance right, in terms of how we have a sustainable scheme.

MARTIN HOFFMAN: So we've got a big program of reform moving to what are called independence assessments, and then to personal budgets. This is a, I'll be honest about it, a controversial reform. Not all of the sector is supportive of this direction. So our challenge and opportunity is to, in many ways, try and do some of the things I've spoken about in this conversation. And that is, be honest about what we're communicating and what we're consulting on. Be honest about purpose and intent rather than spin and fluff and try the basics of say what you're going to do and then do what you say. So if we're successful, we will see a quite different scheme again, in a year's time. A scheme that has fewer rules, has fewer requirements for people to come to a public servant and beg or bargain for the things they want and need, but really lives up to the aspiration of the scheme, which was about saying people are the experts in their own lives.

MARTIN HOFFMAN: People with disability and their families know best the supports that are going to make a difference in their lives, give them the best opportunity to live an ordinary life or an extraordinary life. And so an even bigger rule book as to what things we will fund and want to fund and how much of this and how much of that is one way the scheme can evolve. The other way it can evolve is to a clearer, simpler structure of a reasonable and necessary personal budget, and then fewer rules as to how that is used to pursue the goals that the participant sets. So that's the huge challenge. We got to build a new computer system, we got to change the legislation, we have to change rules and operating guidelines, we've got to train staff, we've got to change the approach that our partners who deliver the scheme with us apply as well.

MARTIN HOFFMAN: So it's really rebuilding the scheme. John Walsh, the founder of the scheme in many ways wrote the original productivity commission report and was there on the board for 10 years. He said, "Martin, this is exactly what this scheme was meant to be like. It's much harder doing it when you've got 450,000 participants than when we had 50,000." But that's the challenge we've got. And perhaps we can have a chat in a year's time and see how it's gone.

DAVID PEMBROKE: Yeah, I look forward to that opportunity. And perhaps, again, just on indulgence, a final question and perhaps a more personal question, what have you reflected on or what have you learnt about yourself as you've undertaken this massive transformation at a time of a global pandemic? What are some of the things that have come home to you that you've understand more about who you are and why you do what you do?

MARTIN HOFFMAN: Again, you're probably looking for something deeply profound at this point, I may well disappoint you in that sense. I think certainly what I've learned in general is the deep ability that we all have and that the public servants have to respond in a crisis and a challenge. There's no doubt about that. I joke sometimes that if the Board had have said, "Martin, we'll give you a week and then we want 80% of people working from home and no loss of productivity." I just would've laughed and said, "You're dreaming". But of course that's exactly what we did and what organisations all across the country did. So I've certainly learnt that, personally, that, don't underestimate the ability of people and your organisation to respond when the challenge, the need and the opportunity is clear. And you can never spend too much time helping people to see and believe and know that. And then they can and will respond in ways that constantly surprise and amaze you.

DAVID PEMBROKE: But the obvious follow-up question then is, and again, on indulgence, how do you keep that behaviour when the crisis is absent?

MARTIN HOFFMAN: Yeah, no, that's exactly right. And that does come down to the focus, I think, on the purpose of the organisation. That that is still a crisis, but it's still super important and super motivating and keep that external focus. We use the cliché of customer centric, but if we're not focused on what does this mean to the participant, as we say, or what does it mean for the customer, or what does it mean for the citizen, then we do get internally focused and we start worrying about the small politics and what's going on in the organisation and et cetera. So that people want to come to work because it's important and helping make it important, getting rid of the roadblocks, the silly little things that get in the way, that's a big part of the job.

DAVID PEMBROKE: Well, Martin, best of luck with that, best of luck with the transformation, and congratulations on your accomplishments there, not just at the NDIA, but throughout your public service career. You've obviously made a wonderful contribution to the Australian population through many years across all sorts of parts of the, not only the bureaucracy, but the economy as well. And thank you very much for that service that you've given to the Australian people.

MARTIN HOFFMAN: David, thank you for that. And thanks for the chance to talk with you today.

DAVID PEMBROKE: So ladies and gentlemen, there you have it, another episode of Work with Purpose, and an inspiring episode, I think, there with Martin Hoffman. What a wonderful task and what a great attitude and wonderful advice there, I think. And again, I think there's so much in that interview that we've just done that can be applied more broadly across the APS. And really, it is one APS and I think there's a lot to be learnt out of what the NDIA are doing. A big thanks, as always, to IPAA. And interestingly, Martin Hoffman used to be the IPAA President and is a fellow of IPAA. He was the President in New South Wales, so good on him for doing that as well. And also, a big thanks to the Australian Public Service Commission for their ongoing support for Work with Purpose. Thanks also to the team at contentgroup for helping to get this episode to air once again. So that's it for Work with Purpose for this fortnight, we'll be back in 14 days with the next episode. But for the moment, it's bye for now.

VOICEOVER: Work with Purpose is a production of contentgroup in partnership with the Institute of Public Administration Australia, and with the support of the Australian Public Service Commission.