

2009 Spann Oration

THE FUTURE PUBLIC SECTOR CHALLENGE: A BAD MOON RISING

Hon John Watkins, CEO, Alzheimer's Australia NSW

It is an honour to join you this evening to give the Spann Oration, and I do so as an enthusiastic supporter of the public sector in New South Wales, of its history, its achievements and its personnel.

Our public service is a huge, diverse, resilient, creative organisation essentially important to good social, environmental, economic outcomes in our state. It needs direction, purpose and political support. With effective leadership it has and will continue to achieve great things for the people our State.

I had the privilege of coming to know our public sector as a Minister for almost 10 years in a range of portfolios. In that time I had responsibility for over twenty different Departments, Agencies, Authorities and State Owned Corporations and had the honour of working with more than 30 DGs, CEOs, Commissioners and a large number of their Deputies, senior staff, Chairpersons and Board Members. That experience of the public sector revealed to me its great capacity and strength and some of its shortcomings.

For some in 2009, the notion of public service seems quaint. The reality is that we are going to need the public sector in the future like never before. Its challenges will be extensive. To meet those challenges it needs to be protected and strengthened. It needs to guard against shortcomings that undermine its capacity and performance. It needs to rely on its past and be nurtured into the future.

Working in the public sector is a challenging task. Those who do, deal with a range of difficulties everyday. Unrelenting Ministerial demands, the constant attention of a corrosive media, aggressive oversight agencies, restructuring plans, recruitment freezes and budget cuts.

These are the common everyday problems confronting public sector workers throughout the nation. But there are more significant and troubling challenges coming our way.

The world that we are moving into, the one in which you will fulfil your career plans in the public sector workforce over the next twenty years, is one full of risk and grave uncertainty.

Looking at our future in this part of the world, you can sense a bad moon rising. The evidence of recent years suggests that our world is becoming less benign. It is also clear that the public sector will be in the front line in confronting the challenges that await us. Without the professional, comprehensive, high quality services provided by the public sector in NSW, our community simply would find it hard to cope.

Let me frighten you a little with some of what we know awaits us.

First, a pandemic that hits NSW hard, causing thousands of deaths in our capital cities, all but overwhelming our health system and inducing widespread public worry verging on panic.

Whether that pandemic is a condition crossing the divide between animal and human such as Swine or Bird Flu, or whether its origins are less clear such as HIV/AIDS or whether it's just an old friend such as the 1919 flu returning to a populace without defences – who would today dismiss that it is a strong likelihood.

Imagine the mobilization of health officials required, the urgency of action, the need for centralised command and control, the requirement for enabling legislation to close schools, ban public gatherings, control access to the health system. All of this requiring urgent, co-ordinated, resolute public sector leadership.

Another danger, more certain, are the problems caused by climate change. We know that climate change across NSW will cause extended and regular periods of drought leading to long term loss of viable farming land, the slow death of country communities and a downturn to our rural economy. Further, we are planning for sea level rises of 40cm by mid century leading to the loss of billions of dollars worth of viable property and requiring effective protective and remediation measures. And we know there will be an upsurge in catastrophic storms such as the 1999 Sydney hail storm.

In the face of all of those climate change challenges, it will be public sector workers assessing exceptional circumstances, developing and enforcing new zoning instruments or co-ordinating recovery efforts, rescuing stranded citizens and ensuring carbon reduction plans are effective.

At last we have a Prime Minister who is treating this subject seriously and we in NSW no longer have to carry the burden of having an aggressive climate change denialist as Treasurer but these matters are beyond urgent. Australia is the 3rd highest emitter of CO² per capita in the OECD after tiny Luxemburg and the USA and 75% of our energy productivity is still coal based. We have already almost destroyed the fragile beauty of our inland river systems and are well on the way to permanent, irreversible damage to such iconic areas as the Great Barrier Reef and the Coorong at the mouth of the Murray. This issue will stalk every step you take in the public sector.

A third challenge coming to the public sector almost as heavy is the impact of our ageing population. It will change our community like never before. Today in Australia there are 3,500 people over 100 years of age. That is a town the size of Forbes. By 2050 there will be over 70,000 Australians over the age of 100. That's a city the size of Coffs Harbour. The ageing of the baby boomer generation means that by mid century we will have over 1.1 million Australians diagnosed with dementia. In 2050 that means an extraordinary 1,000 new cases being diagnosed each day, every day of the entire year.

Just one aspect of that dementia epidemic relates to the need for residential facility places. To cope with the demand for nursing home beds, we need to be building approximately 6,500 new nursing home beds each year every year for the next 40 years. The size of that task alone is incredible.

Our ageing community will change the face of our suburbs, how we travel, how we shop, how we enjoy recreation. There will have to be new transport options, greater respite care opportunities, new building standards, changed Council zoning, new lighting, new footpaths, and a whole range of new services to enable people to age at home. If we don't do this we condemn that most needy group to abject, heart breaking loneliness and for many, destitute poverty.

And again, it will be the public sector in NSW who will have prime responsibility for dealing with this challenge. For doing the analysis, developing the policy, designing the options, finding the funds, providing the leadership and then delivering many of the services. The public sector will be the provider of last resort to many who have no other person, organisation or system to resort to.

Whilst we deal with this dramatic social change we will continue to be haunted by the evil genius of terrorism. Without doubt, terrorism will remain a real and present danger to our state and its communities for the foreseeable future. Successful attacks on Australian interests in Bali, Djakarta and real threats to Sydney and Melbourne thwarted through Operations Neath and Pendennis, prove the reality of the threat. Australia's close alignment with the USA and our involvement in Afghanistan means we remain a target from either external terrorist threat or the madness of a home grown disenfranchised terrorist willing to put our citizenry or infrastructure to the torch.

Again from that threat it is the public sector that protects us. Staff in our transport agencies, civilian intelligence analysts, uniformed police and defence personnel will continue to provide daily protection from the evil of the terrorist threat against Australia

A related and ever present reality that impacts on our gentle enjoyment of this land is the threat of geopolitical catastrophe in our part of the world. Replicate the recent Sri Lankan tragedy and the ensuing humanitarian and refugee crisis in Pakistan or North Korea or watch a total breakdown in Afghanistan and imagine the knock on impact it could have on our State and nation. Then the trickle of recent boat refugees will become a flood that aside from leading to an ugly public/political media debate, will place real pressure on all government services including maintenance of public order, public health, emergency housing and education services.

It is the public sector in NSW who will deliver these services and the central agencies of the NSW public sector and the senior managers especially in the service departments who will plan, co-ordinate and control that provision.

In all of these threats the private sector may help in the provision of goods and services, they do that efficiently and well, but they can't plan, co-ordinate and control the delivery of those services.

So, pandemic, climate change, the ageing of Australia, terrorism and geopolitical catastrophe. Five real threats to our State, its people and its infrastructure. Five threats that will draw on the hard work, professional commitment, talent and compassion of our public sector workforce.

These are daunting challenges. But without a great deal of difficulty, it is possible to list five more that you will have to cope with in your working lives.

First, the continued growth of criminal activity across our community, estimated by the Australian Crime Commission to cost the Australian economy an incredible \$10billion per year, the largest % of that falling on NSW.

Second, impending natural disasters on par with the Victorian bushfires and North Queensland floods of this year. Whether fire, flood, tempest, tsunami, or locust plague, it's on its way towards NSW. And it's been to the far north coast this week with 520mm of rain falling on Coffs Harbour in four days. The heaviest November total in 45 years.

Third, a return of financial instability akin to the Global Financial Crisis that destroys jobs, frustrates infrastructure plans, lowers expectations, hampers investment. And for those who say the future appears rosy, who saw the last one coming?

Fourth, the continued destruction of our environmental reserves and loss of biodiversity that puts at risk the balance that has supported our enjoyment of this beautiful land. Australia is home to between 600,000 and 700,000 species many of which are found nowhere else in the world. Many are at risk due to changes in landscape and human activity. Up to 20% of our unique mammals are at risk of extinction, 8% of our bird species and 6% of our plant species. The calls this week to put our unique koalas on the endangered list has to be a wake up call. We are trashing the joint.

Fifth, the continuing tragedy of poor indigenous health leading to chronic disease, lower life expectancy and early death amongst a people already burdened unfairly in almost every facet of life. Over 30% of Australia's indigenous people live in NSW. But these historic Australians are increasingly temporary. Life expectancy for Aboriginal men is only 59 years compared to 77 for white males. Amongst women it is 65 compared to 82.

All of these threats are real, most are inevitable. All should be planned for. The only unknown is when the burden will fall and in what order. All of you are going to have to cope with the fallout.

So the challenges are there aplenty. Some fill your days now, some you are planning for, some somewhat foolishly we are setting aside and somehow hoping they will be deferred or avoided.

The central question is whether the public sector in NSW has the capacity, responsiveness, talent and the will to deal with the struggles?

In my view the answer to that is clearly yes. It has a long history of effective action in facing difficult challenges. But it will need every ounce of that capacity into the future.

Part of what will give the public sector the capacity and resilience to deal with challenges in the future is the strength and purpose that it inherits from the past.

Those who work in the NSW public sector today are linked by a golden thread of public service that stretches through generations of talented and committed public servants back to the earliest days of the colony. Very early in our European history the forebears of our public sector brought order, stability and respect for the rule of law to this remote, frontier prison settlement.

The treatment of those first generations of convicts and the indigenous population leaves a stain on our history, but the fact that relatively quickly the new colony became a place where the qualities of civil behaviour were respected and took hold is something to marvel at.

It was early in the history of the colony that attention turned to establishing the institutions of a functioning civil society. At the centre of that successful process was an infant colonial public sector that grew out of the military administration. It established a court system, organised the earliest hospitals and set up the foundations of a public administration through the remotest parts of the State that was to serve well the extraordinary growth that happened in NSW in subsequent years.

In particular it was under the leadership of Governor Lachlan Macquarie between 1810 and 1821 that we flourished. This dour Scottish visionary appointed colonial architects, surgeons and magistrates, sponsored exploration, established town planning and the first bank and instituted widespread public works projects. The bicentenary of his appointment should be celebrated widely next year. It is no accident that on his headstone on the Scottish Isle of Mull, maintained by the National Trust, is the inscription "The Father of Australia". It could as easily read "Father of the Public Sector in NSW".

And lest we think it was ever easy, he was opposed strongly, constantly, deceitfully by enemies here in Sydney and in London.

Those current public sector leaders, who in trying to achieve change have suffered the slings and arrows of the media and crude political attack, should draw strength from Lachlan Macquarie. He would have recognised the vitriol of the debate over the desal plant, the metro, planning matters and so many other contemporary issues. His success and the long term benefit of his initiatives should give us heart today.

In the same way, the early history of our State gives us confidence for the future.

I learnt when I was Minister for Fair Trading of the history of Weights and Measures in the colony and State of NSW. It goes back to the earliest days and is one of my favourite images. I love the thought of a long boat carrying ashore, from a sailing boat moored in Sydney Cove, the wood panelled boxes containing the original set of weights and measures. And then, probably at the wharf that was over in front of Cadman's Cottage, a party of convicts manhandling them ashore before they are taken to a tent near the Governor's residence. What a resolute and determined step. Faced with famine, the everyday strangeness of their new land, the threat from the convicts, and loneliness beyond imagining, these people were determined to have a system of weights and measures!

It was also very much a practical measure. Accurate measures of flour, salt beef and sugar in a community threatened by famine helped to keep order. But for me it also reveals a determination to have a way of providing certainty, order and precision in the midst of this grand experiment at the edge of the known world.

By way of interest, responsibility for Weights and Measures or for trade measurement as it is more practically described today, reverts to the Commonwealth on 1 July 2010. That is a regrettable and an unnecessary step and a further sign of the increasing dominance of the Commonwealth in all matters to do with the Federation.

The Federation never meant for NSW to become a supplicant State. That trend of the past forty years or so, which seems to assume the Commonwealth should have primacy in all things, is out of keeping with 200 years of our history and demonstrates a blind arrogance in the minds of many federal politicians and bureaucrats.

But back to those weights and measures. They, for me, symbolise the impact of the public sector in NSW throughout the 1800's and 1900's. The civil, ordered, resolute and confident determination to bring order from chaos, to build structures to support human endeavour, to achieve that most noble of pursuits – the building of a nation where people could live in peace, prosperity and harmony.

And it was successful, amazingly so.

Those who had the strength to bring ashore those weights and measures obviously had a confidence and vision that must have foreseen something of our success as a nation. We must acknowledge them for putting into place the structures, practices and approach that led to the development of the modern public service in NSW and the growth of this most successful civil State.

That early genius provided for a system of Births, Deaths and Marriages, maritime rules, mapping and surveying, taxation, and so many other systems, much of which we still depend on today.

This is what we have inherited and we should acknowledge and give thanks for it. But not just the laws and processes. We owe a debt of gratitude to all of those men and women who have been involved in public service in NSW for all of those generations of our history.

The Public Works stone masons and labourers who constructed this building and so many others we treasure to day right across NSW. The nurses providing care and comfort through long nights in the hospitals of remote towns across the State. The guards manning lonely railway stations at the far end of the line. Teachers sent to one teacher schools throughout the vast expanse of regional NSW. Police in lock ups, the lonely vigil of lighthouse keepers, the auditors from Sydney travelling by night train to check the books of meatworks, work camps and psychiatric hospitals, Clerks in court houses, Customs Officers in ports. And in more recent times NPWS officers in our deserts and mountains, correspondence clerks in city office blocks, Crime Commission analysts, Fire Brigade officers on duty through the long hours of the night, TAFE teachers, child protection staff, home care workers helping the elderly and frail, and transport workers providing our city commuters with an essential daily service.

All part of the same vast, professional, capable public service here in NSW.

It has been my privilege to see and meet many of those public sector officers.

I remember probation and parole officers in Campbelltown working steadily through seemingly endless numbers of desperate cases, still compassionate and overtly concerned about the lives of their clients, who most in our society would dismiss as being beyond help.

I recall determined, professional detectives in the child protection teams in Police Headquarters at Parramatta absolutely committed to their task even though it meant trawling through vile images and truly evil examples of child exploitation.

I saw gifted, enthusiastic teachers in a tiny school south of Wagga determined to give their students, the children of wheat and sheep farmers living on remote farms, the best possible education. So all students at the school learned the violin, all had access to the internet all were nurtured and treasured.

And I met nurses in psychiatric hospitals, inspectors in fair trading offices, CountryLink staff in country rail stations, bus drivers in Sydney depots and a thousand other public sector employees who valued their work, were enthusiastic about their roles and were committed to helping the people of NSW.

Yes there are examples of indifference, lack of energy and work to rule but these are not the norm.

The overwhelming majority of our public sector workers recognise the unique position that the public sector holds in NSW. They are aware and appreciative of their advantages.

They know that the public sector is funded generously by the taxpayers of the State and provides secure employment, good pay rates and excellent conditions, with supportive, family friendly and equal opportunity policies. It is largely free from vagaries of economy. Its membership is generally well educated, and involved in challenging cause related work. Its workers are respected in their communities.

Working for the people of NSW in the public sector is a privilege that many will never enjoy. It is a career with many benefits. But I think what draws and keeps such talented and committed people to the public sector is the enormous potential they have to bring about beneficial social outcomes and to serve the needs of the citizens of NSW.

This positive, creative capacity is enabled by the sector's history and culture, size and reach, cultural diversity, its obvious intellectual capacity, flexibility, the secure funding it enjoys, and its collegiality and interconnectedness.

With such conditions and advantages the sector also has a unique responsibility to never lose sight of its purpose and opportunity, to fully use its potential and to actively avoid the pitfalls that frustrate and prevent good outcomes.

And there are pitfalls and shortcomings in the public sector that frustrate the achievement of the great potential the sector has. Many come down to failures in leadership from managers, CEOs and Directors General.

First is the over cautious, self limiting inertia that decides almost by default that some policies or issues are just too hard or dangerous to deal with.

Departments, agencies and units suffering this weakness begin to avoid risk and start to tread water. They start to second guess themselves and find excuses for not taking action.

If I was Bob Carr I would use that Civil War analogy of General George B. McClellan's Army of the Potomac. A huge, reinforced, well provisioned force, with great potential, just sitting in its tent lines outside Washington, fearful of entering the fray.

Self justification and blame shifting come easily to this state of mind.

Sometimes there are reasons. The impact of over vigorous oversight agencies, the current base and destructive media cruelty alive in this town, Ministerial ineptitude. All can cause public sector leaders to become risk averse and to avoid upholding their responsibilities to the people of NSW.

Such inertia eats away at the heart of the morale that is so essential for the public sector to deliver to the needs of the citizens of NSW.

A second failure arises when the sector begins to indulge in process for process sake. The left of the Labor Party often gets caught into that mindset. In that place it doesn't matter so much what the outcome is, so long as the process is right.

Public sector agencies falling under that spell will exert so much time and effort in designing the right public consultation tool or ensuring the policy development model is right or making sure the issue is referred to every interested committee before sign off.

In that world, timeliness and delivered outcomes become secondary. Perhaps because the Unit Manager or DG who will criticise you for insufficient consultation is closer to you than the citizen waiting for the service to be delivered.

This failure leads to delay, public impatience, accusations of bureaucratic malaise. Whilst nothing takes the place of effective consultation, appropriate planning and checking for mistakes – it is the delivery of a timely outcome that matters and must always be front of mind.

Another problem arises when the public sector doubts its own worth and capacity. When it listens too attentively to the critics who are so willing to criticise and undermine. And in recent years this has largely been the fault of this country's political leadership. The media will always run stories of fat cats, and attempt to characterise all public sector workers negatively but what is really damaging are the comments and actions of political leaders, Premiers, Prime Ministers and Ministers. If they criticise their own public sector for their own political purposes, it makes it okay for everyone else to do so and opens the floodgates to the media and ignorant half informed public comment.

Whether that criticism is the subtle and understated implications that accompany staff freezes, staff cuts or restructuring or the overt damning criticism of public sector workers, the result is inevitable. If you trash your own people of course they take it to heart. Of course it impacts on morale and of course that means poorer outcomes for the people of NSW.

What political leaders should do is lead, explain, justify and defend. Few Ministers I served with failed to value their public sector workers. All Premiers I have known want the public sector to deliver new and better policies and outcomes. Yet most have allowed themselves to be drawn into the position of allowing or taking the cheap shot. If a Minister or leader devalues the brand, it's hard for public sector leaders to maintain morale and service delivery.

The resilience of the public sector is deep, but it fades if constantly devalued and demeaned.

One final problem that devalues the public sector's capacity and effectiveness is when the leaders within the sector become too actively and closely involved in the political process. It may sound naïve but DGs and CEOs need to keep their distance from the flame.

These failures are not a luxury the public sector can indulge in especially considering those challenges that we face in our future. Such failures also discredit the legacy of those public sector ancestors who have worked so hard for our inheritance.

I'd like to make some further comment on the relationship between the Minister and Director General. It should be a subtle and creative thing. At its best it is based on respect, trust and a shared understanding of the limits of responsibility on both.

The Minister has a responsibility not to draw the DG, CEO or Commissioner across the political divide where they start to make decisions that are rightfully the Ministers. To do so devalues the CEO's independence and effectiveness. And the DG, CEO or Commissioner has a responsibility to resist the temptation to be drawn over.

Problems arise when the Minister is inept or incapable of respecting such a division. A public sector leader who gets drawn in too close takes on responsibilities they cannot fulfil and risks being judged on political rather than professional criteria.

Of course this happens anyway because of the paucity of media and Opposition standards in the current environment but it should still be resisted.

And on that, I have to say the practice of DGs or senior managers being rolled out regularly by Ministers in the media so that the Minister can avoid a difficult media issue is a bad practice. At times a DG or CEO should appear but never just to protect a Minister from a politically difficult story.

I was very fortunate in the CEOs, DGs and Deputy DGs that I had privilege to work with. Overwhelmingly they were loyal, hardworking, professional and committed and so much cleverer than I. Men and women like John Lee, Jim Glasson, Roy Wakelin-King, Brendan O'Reilly, Liz McNamara, Liz Zealand, Elizabeth Skewes, Rob Mason, Andrew Scipione, Les Weilinga.

The reality is that good effective, responsive public service works best when there is a good effective, committed partnership between the Minister and senior Departmental staff.

Perhaps if I could finish with some unrelated general issues, suggestions and indulgent comments.

I believe that in dealing with particular challenges in the future, greater use should be made of issue specific, statutory authorities that can draw together, under specific legislation, a team of people to address a problem, whether it is climate change or a pandemic. The experience of World Youth Day, with WYDCA, a specific agency with its own legislation and limited lifespan worked very well. It is a model that should be explored not just for major events like World Youth Day and the Olympics.

Next, staffing, recruitment and retention into the public sector with an ageing workforce is going to be a major issue facing the sector. Accordingly, traineeships, scholarships and apprenticeships are going to have to play a greater role. Mechanisms also need to be introduced to make movement into and out of the public sector easier. We will need people in the private sector to be able to step into the public sector with some ease. Secondments will need to be made easier.

Two more. For the long term good of the public sector we will need to guard against the continuing concentration of power into the central agencies. I think the combination of the Cabinet Office and the Premier's Department was a bad move. There was a balance between those two and Treasury that worked well. Some of that has been lost. Further I think the increasing power of Treasury has been a negative development in the public sector. Treasury is currently too powerful and too dominated by negativity. The real challenge is to have the Treasury harness its undoubted intellectual capacity into a creative and enabling force. Saying no too often is not good for the public sector soul.

Finally, all senior public sector workers need detailed media training, both to understand the creature and to be able to perform in it. Intrusive media attention can make the life of a public sector officer a misery. It also affords an opportunity to deliver on your area of responsibility. It is not going to reduce in its intensity. Everyone should understand it.

So that's about it. The reflections of a recovering politician 14 months after giving up the habit.

I have now moved into a charitable agency and I do some work in the private sector.

There is a lot about my previous life I don't miss.

But one of the things I do miss is the opportunity I enjoyed to work with so many gifted and talented people in the public sector committed to a positive future for NSW.

Theirs, yours, is a noble cause, to work to improve the lives of our fellow citizens.

If Richard Neville Spann was here to see the public sector in NSW in 2009, I can't help thinking that he would have been very impressed. I know that I am.

The Spann Oration for 2009 was presented by Hon John Watkins at the State Library of NSW on 12 November 2009. The Oration is delivered annually in honour of **Richard Neville Spann** OBE, MA Oxon., FASSA, who held the Chair of Government and Public Administration at Sydney University from 1954 to 1981. He also served as the editor of the Institute's journal for 20 years. As a prominent academic and writer, Professor Spann made a great contribution to public administration in Australia.