



*Democracy  
2025*

INSTITUTE OF  
PUBLIC ADMINISTRATION  
AUSTRALIA

**IPAA**



# EMOCRATIC FUNDAMENTALS:

THE ROLE OF THE PUBLIC SERVICE IN AUSTRALIAN GOVERNANCE

Photo: H.C. "Nugget" Coombs in 1973, who led the Royal Commission on Government Administration.



Museum of  
Australian Democracy  
Old Parliament House





## FAST FACTS ON THE AUSTRALIAN PUBLIC SERVICE

### *ROLE AND VALUES*

The Australian Public Service (APS) was created on 1 January 1901 as a foundational institution of Australian democracy and empowered through the *Public Service Act 1999* to provide independent, apolitical advice for “the Government, the Parliament and the Australian public”.<sup>1</sup>

The work of the APS is informed by a set of Westminster values that articulate the Australian parliament’s expectations of public servants to be: 1) impartial; 2) apolitical (providing the Government with advice that is frank, honest, timely and based on the best available evidence); 3) committed to service; 4) open and accountable to the Australian community; 5) respectful; and 6) ethical, acting with integrity, in all that it does.<sup>2</sup> APS work is governed by an APS Code of Conduct aimed at ensuring the highest standards of conduct in public office through the delivery of APS values.<sup>3</sup>

The APS is not a pure Westminster, Federal or even hybrid system. Australian public administration has evolved in a unique way from colonial times and is distinctively Australian in its institutional design and governance processes.<sup>4</sup>

### *FUNCTIONS AND RESPONSIBILITIES*

The APS is responsible for designing and implementing federal policy and regulation, identifying and diffusing standards and delivering certain services directly to Australian citizens through, for example, Services Australia or Business.gov.au. It provides funding to states and territories for national infrastructure (e.g. public roads, schools, and hospitals), administers defence and national security

arrangements and runs a comparatively small number of state-owned enterprises such as the ABC.

The APS dominates federal-state financial relations — financial dependence on the Commonwealth is amongst the highest of all federations, third only to Belgium and Austria and accounts for 44 per cent of all states’ revenue. Federal Government spending accounts for almost 19 per cent of annual GDP.<sup>5</sup>

### *MACHINERY OF GOVERNMENT*

The machinery of Commonwealth government is determined by the Prime Minister and reflects the political priorities of the government of the day. It is currently comprised of 14 government departments — three central departments (Department of the Prime Minister and Cabinet including the Australian Public Service Commission, Finance and Treasury), 11 line departments and 105 agencies.<sup>6</sup>

In general, central departments coordinate the work of Commonwealth government but each has a specific emphasis: Prime Minister and Cabinet supports the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers to achieve a coordinated approach to the development and implementation of Government policies focusing on the core policy agenda; Finance manages the budget and controls public expenditure through the Government’s fiscal strategy; and Treasury provides economic analysis and policy advice on issues such as: the economy, budget, taxation, financial sector, foreign investment, structural policy, superannuation, small business, housing affordability and international economic policy. Treasury also manages federal financial relations.<sup>7</sup>

Line departments support the formulation of Government policy and design programs in certain areas such as education, foreign affairs, health, industry and social services. The APS's 105 agencies focus on promoting and protecting 'regulation' and 'standards' (e.g. Federal Reserve Bank, Safe Work Australia), safeguarding the 'integrity' of APS work (e.g. Commonwealth Ombudsman), providing 'research' e.g. (The Commonwealth Scientific and Industrial Research Organisation), or delivering specific public functions (e.g. ABC, Royal Australian Mint, Family Court of Australia).<sup>8</sup>

The policy and services work of the APS advisory system is supported by three crucial agencies: the Australian Bureau of Statistics provides "relevant, trusted, objective data, statistics and policy insights"; the Australian National Audit Office compiles important performance data in its role for the Australian Parliament in "scrutinising the exercise of authority and the expenditure of public funds by the Executive arm of the Commonwealth of Australia" and the Productivity Commission delivers "independent research and advice to Government on economic, social and environmental issues".<sup>9</sup>

#### *WORKFORCE*

The APS is one of Australia's largest employers across the whole of Australia. It has 132,192 ongoing employees (compared to 188,000 employed by the retail giant Coles). Notably only 39 per cent are based in Canberra and of the 61 per cent located outside Canberra, 79 per cent are located in state and territory capital cities.<sup>10</sup> The APS has an ageing workforce that is declining in size and is unrepresentative of the Australian community in

terms of diversity measures. Women, however, are well represented in the APS workforce as a whole compared to the OECD average (59 per cent as compared with 53 per cent) and in senior positions (37 per cent as compared with 32 per cent).<sup>11,12</sup>

#### *LEADERSHIP*

The leadership of the APS is appointed by the Prime Minister. However, the Secretaries Board sets the overall direction of the APS, drives collaboration, and promotes a "One-APS" shared culture. It is comprised of the secretaries of the 14 federal government departments, the Australian Public Service Commissioner and Head of the Office of National Assessments and chaired by the Secretary of the Department of the Prime Minister and Cabinet.<sup>13</sup>

#### *INTERNATIONAL MEASURES OF SUCCESS*

The APS is performing remarkably well in international terms: ranked fifth in the International Civil Service Effectiveness Index (2019); second in the Euromonitor's Digital Connectivity Index (2017) and the United Nations E-Government Development Index (2019); and, ranked in the top 10 countries overall by the World Bank for the quality of its governance.<sup>14</sup> The APS is viewed as an international pioneer in the diffusion of best practice regulation, data management, digital tax governance, "one-stop shop" service delivery, social inclusion (particularly child support) programming and the design of income contingent loans in higher education financing.<sup>15</sup>

## CHALLENGES TO THE WESTMINSTER MODEL

A NUMBER OF LEADING PUBLIC ADMINISTRATION EXPERTS AND PRACTITIONERS HAVE ARTICULATED THE CHALLENGES TO THE WESTMINSTER MODEL OF RESPONSIBLE GOVERNMENT.

### INDEPENDENCE

“ It is difficult to see how the Westminster system can survive given the drift away from its core norms and values. Maybe that's not all a bad thing. We need some reinvention but fundamentals need to be protected. ”

Senior Public Servant, April 2019.<sup>16</sup>

“ A new agreement, with the adoption of new conventions, is needed to establish an effective foundation for the relationship between the executive and the public service that supports it. Old traditions grounded in the idea of Westminster are not fit for purpose, while the present arrangements are poorly articulated, ambiguous and have left the APS constantly exposed to the forces of volatile hyper-partisan politics... the Public Service Act and conventions around accountability cannot stay as they currently are configured. ”

Anne Tiernan, Ian Holland and Jacob Deem, March 2019.<sup>17</sup>

“ We [the APS] have now become an APS that is responsive but we also have a responsibility to three constituencies. The Government, the Parliament and the Australian public and they're equally important. ”

David Morgan AO, March 2019.<sup>18</sup>

## **INTEGRATED POLICY AND SERVICE SYSTEMS**

“ The APS needs to work together as one organisation: Australia's future needs demand a shared lens on complex problems and a truly integrated approach to policy, regulation and service delivery. The robust contestability of ideas and perspectives across the service, and the distinctiveness of the constituent parts of the APS, must be integral to the APS being more effective as a united organisation — one that is greater than the sum of its parts. ”

APS Review 2019.<sup>19</sup>

## **INDIGENOUS RECOGNITION AND PARTICIPATION**



“ The need for the participation of Aboriginal people is, I think, the lesson of a great many past, and obviously failed, government policies. ”

Lois (Lowitja) O'Donoghue, 1992 Garran Oration.<sup>20</sup>



“ If treaties are to be successfully negotiated and implemented in Australia, then the way the public services do business will have to change dramatically. ”

Professor Mick Dodson, 2019 Garran Oration.<sup>21</sup>

### ***SIMPLICITY OVER COMPLEXITY***

“ Most members of the public expect to transact with government agencies as simply as possible and preferably on-line. They want to give their information once and cannot understand why they get repeated requests for the same information across the service system. They expect and deserve one point of truth. At the moment we don't have the structures of enablement to make this happen and this comes down to the lack of trust in the system. We cannot expect citizens to trust us if we don't trust each other. ”

Ann Sherry AO, July 2018.<sup>22</sup>

### ***COLLABORATIVE GOVERNANCE***



“ As the sun rose on the new Federation, the Commonwealth of Australia, on 1 January 1901, so did the beginnings of the pecking order of power biased towards the Commonwealth and the big states, as many of the founding fathers had feared. The Commonwealth government was slow to acquire more power, accelerating in World War II and tightening its control over the states and territories, mostly by fiscal measures, right up to the present. In spite of many attempts by the states and territories to regain the equilibrium, the bigger Commonwealth set the agenda and continues to do so. ”

Sue Vardon, 2006 Garran Oration.<sup>23</sup>

### ***DIVERSITY***

“ There is much evidence to suggest that organizations that lack an inclusive and diverse culture suffer in terms of capability, productivity and performance. The APS still has a great deal of work to do to convince people from diversity groups that they are an employer of choice. ”

Emeritus Professor Meredith Edwards AM, July 2018.<sup>24</sup>

## **FUTURE PROOFING**

“ We are in the midst of a digital revolution. People are better educated and globally connected and have higher expectations of government than ever before. Business as usual will not do. We need an APS that is fit for the future. ”

Lynelle Briggs AO, July 2018.<sup>25</sup>

“ More than any other factor, the quality of the people in the APS will determine how well the APS meets the challenges of the future. ”

Sandra McPhee AM, May 2015.<sup>26</sup>



“ There is a need to accept that whilst things like institutional capacity and leadership capability and performance management are very important to public services, that there needs to be something more profound. And that is a culture of continuous learning. ”

Peter Shergold AC, February 2016.<sup>27</sup>



“ ... adaptability and readiness to embrace change is absolutely imperative in our public institutions. ”

The Hon Bob Hawke AC GCL, 23rd Prime Minister of Australia.<sup>28</sup>

## **DISTINCTIVELY AUSTRALIAN**

“ ... we should be very proud of our uniquely Australian model of public administration ... That it has evolved ... from its Westminster origins is thoroughly positive. It captures the dual ideas of the APS as a great, continuing national institution — but one which at the same time is responsive and ready to change — that is, a willingness to continue to adapt to Australian circumstances and national needs. ”

Ken Matthews AO, July 2012.<sup>29</sup>



“ A healthy public service is a vital part of Australia's democratic system of government. ”

The Hon John Howard, OM, AC,  
25th Prime Minister of Australia (1997 IPAA National Conference).

## ABOUT DEMOCRACY 2025 – STRENGTHENING DEMOCRATIC PRACTICE

The purpose of Democracy 2025 is to ignite and sustain a national conversation about how we strengthen our democratic practice and build a new generation of democratically engaged Australians.

Democracy 2025 is based in the Museum of Australian Democracy (MoAD) at the spiritual home of Australian democracy – Old Parliament House in Canberra. MoAD holds a unique position on the frontline of democracy, civic agency and change. We are a museum not just of objects but of ideas.

We seek to empower Australians through exhibitions, schools' learning programs and events that both stimulate and inspire. Trusted by the public, government, public service and business alike, we are uniquely able to advance national conversations about democracy, past, present and future.

The Democracy 2025 initiative delivers applied research, analysis and interpretation of the challenges facing representative democracy, and identifies areas for potential innovation and renewal. Bringing together business, government, the public service and the community, We seek to strengthen democratic practice by:

- 1) reviewing best-practice solutions to challenges facing democracies across Australia and the AsiaPacific;
- 2) fostering active, engaged and informed citizens; and
- 3) promoting integrity leadership, and practice that enhances democratic governance.

For a more detailed understanding of our research and practice programmes visit our website at: <https://www.democracy2025.gov.au/>.

Professor Mark Evans  
Director, Democracy 2025

Daryl Karp AM  
Director, Museum of Australian Democracy

## ENDNOTES

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