



## Frank and fearful: PS faces policy problems

**The Chairman of the Productivity Commission**, Gary Banks, has questioned the fitness of the Australian Public Service to produce high-quality policy advice, describing some Departmental project teams as ‘lower calibre and consultants as ‘risky.’”

As part of his address to the Australia and New Zealand School of Government, calling for a more evidence-based approach to policy making (reported in last week’s PS News) Mr Banks outlined his concern that the APS may not be up to the task anyway.

He said long periods of Budgetary constraints had robbed the APS of much of the capability and expertise needed to find the evidence to support good policy with the result that it was beholden to consultants of varying quality.

He said while people with skills in quantitative and other research methods were particularly valuable, it was “ironic” that there had been a decline in the numbers of staff who possessed those skills “at the very time when (the PS) has been called upon to provide an evidence-based approach that relies on them.”

“You can’t have good evidence, you can’t have good research, without good *people*,” Mr Banks said.

He said he had been struck by a number of ‘manifestations’ the absence of capable staff had led to.

“One is the lower calibre of some of the Departmental project teams that I have observed trying to do review and evaluation work.

“Secondly there appears to be increased poaching of research staff within the public sector, or at least pleas for secondments.”

He said the shrinkage of the pool of economics graduates in recent years had sparked new initiatives to train staff and there had been a major increase in the contracting of policy related research to non-PS business consultants rather than to academics.

While acknowledging that contracting out was not a bad thing, Mr Banks said the character of the practice had changed recently.

“The focus seems to be broadening from provision of *inputs* to policy-making, to preparation of *outputs* – the whole package.”

He said despite some payments to consultants being “surprisingly large” they came with significant risks.

“Consultants often cut corners,” he said.

“Their reports can be superficial.

“And more fundamentally, they are typically less accountable than Public Service advisers for the policy outcomes.”

He called on the PS to recruit more graduates in the social and economic sciences and to pay more attention to how contractors could be of best help in making good public policy.

“I would suggest that in many cases it is better to go directly to the experts rather than to the big jack-of-all-trades management consulting firms,” he said.

Mr banks said while the big companies were often willing to tackle any task, they generally had “an indifferent performance record” in policy related work.