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Gary Banks sees fewer roles in administration balancing act

17 Jul 2014

The Australian Financial Review



Gary Banks believes the hallmark of government will be doing less and doing it better.

Photo: Alex Ellinghausen

Canberra insider

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With the delicious prospect of five Parliament-free weeks, Canberra public servants might spare a thought – impartially, of course – for the changing shape of public administration.

Who better to provoke intelligent thinking about the role of government in the 21st century than former Productivity Commission chairman Gary Banks, now dean of the Australia and New Zealand School of Government (ANZSOG).

In a background paper for ANZSOG's August annual conference, Banks has not hesitated to call governments of all hues to account.

And he has done it without even mentioning such embarrassments as the eviscerated budget, carbon pricing, border control or pink batts.

He says bluntly that any government seeking to grow national prosperity must attend to both wealth creation and income distribution.

Rising structural deficits and mounting public debts could, he says, be interpreted as a manifestation of an imbalance between both.

“Many commentators have blamed this on the undue expectations of the public, which governments struggle to meet financially, and there is no doubt that demands have been rising,” he says. “But historical experience tells us that the perceptions and expectations of the ‘public’ are not formed in isolation of governments’ own actions, and the narratives by which it chooses to frame these. Governments lead as well as follow their electorates, even if not always intentionally.”

Yet, while governments’ means of responding to pressures may be a matter for political dispute, he says there need be no trade-offs among the shared broad policy goals of a more prosperous, fair and harmonious society.

Similar issues trans-Tasman

The paper suggests Australia and New Zealand are facing similar problems socially, economically and environmentally. It traverses the welfare state; ageing population; sustainable healthcare; disability; working across jurisdictional and sectoral boundaries; the states as “investors” (education, infrastructure and industry assistance); and the holy grail of better regulation, or “red-tape busting”.

And it asks what it means for managers in the public sector economy.

To Banks, the general direction is clear.

“The hallmark of government in the 21st century will be doing less and doing it better,” he says. “We should expect a further retreat by governments from activities that other sectors can adequately discharge.

“And we can expect an approach by government to the rest that lays emphasis on facilitating cost-effective provision, drawing on the skills and capacities of all three sectors; while enabling more choice and ‘control’ – and greater contributions – by [citizens].”

Moreover, while co-operative arrangements for the design and delivery of public services were likely to expand, the overarching policy frameworks should put more emphasis than ever before on avoiding perverse production and employment incentives.

This would be imperative in an increasingly competitive world, where a diminishing share of the domestic population would be of working – hence, taxpaying – age.

Reform challenges

He says the reform challenges for government administrations are twofold: those relating to structural changes within the public sector and those relating to new or amended policy interventions affecting other sectors, whether by subsidy or regulation.

Restructuring and other administrative reforms, he says, have had a long history. Some had a lasting impact or been judged successful while others had been short-lived or eventually reversed.

The amalgamation and separation of functional responsibilities was one such area and processes devised to improve “whole of government” decision-making another. “Do we understand why some administrative reforms succeed and others fail?

“Clearly, changes that address a real problem, that have a clear rationale and that are designed with a view to their effective implementation should be more likely to succeed. How can such pre-requisites be engineered?”

Implementation had also been crucial to the success of past reform efforts.

“To state the obvious, reforms that withdraw benefits are many times harder politically than conferring them in the first place.

“This ups the ante on government to explain why particular changes are needed and how these would promote our longer-term interests.”

Success depended not only on how well they communicated the need for action, but also on the capacity of their administrations to furnish the supporting evidence and analysis.

“And, ultimately, if new arrangements are not well administered ‘on the ground’, failures and reversals are more likely.”

Governments were increasingly asking what skills would be needed by public servants and their managers to match governments’ evolving role in the 21st century.

If the role were to be “facilitator” more than “doer”, facilitation skills would, obviously, assume greater significance: skills in commissioning and procurement; managing projects and relationships; and monitoring performance. Wider policy and regulatory challenges would require strong analytic capabilities, including in evaluating costs and benefits of - different courses of action.

A public service economy beset by rapid change and rising public expectations would require flexible systems and adaptable leaders.

And if public trust were to be sustained, effective processes for engaging citizens and explaining the basis for decisions affecting them would remain fundamental.

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