

COMMUNITY AND PUBLIC SECTOR UNION
GOVERNING COUNCIL

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Special Minister of State

First let me acknowledge the Ngunnawal people and their ancestors, the traditional owners of the land on which we are meeting today.

The role of the public service in our democracy is often overlooked, but it is central to the social contract between government and citizen. Governments fulfil their election promises and policies through the programs and services the public service delivers.

We expect a great deal of our public servants. From those who are on the front line of service delivery, we expect the patience of saints. From those who work in policy development, we expect the wisdom of Solomon. Our public servants fill roles from scientists to social workers.

Members of the public service have a unique relationship to the government. The government is not only their government, but also their employer. Governments too are dependent on the public service – on your competency, capability and professionalism. The best policies in the world would be judged failures by the public if poorly delivered.

A healthy relationship between the public service and the government of the day is one based on respect and co-operation. The Government must respect the independence and professionalism of the public service, and must not expect or pressure public servants to become servants of the political needs of the Government. The public service must respect the mandate of the government to implement policy and pursue its agenda.

Australia needs a strong, unified, professional and apolitical career public service that is able to respond to the changing needs of government and society. The ever-accelerating pace of change in modern Australia demands flexibility and agility from our public service as well as our governments. The APS must continue to reinvigorate itself

through attracting top-quality candidates and retaining highly-skilled and experienced personnel.

It concerns me, as it should concern anyone who values the role the public service plays in our democracy, that in recent years a perception has grown up that elements of the traditional Westminster approach relating to the appropriate relationship between Government and the public service have been watered down. It is of course a favourite accusation for those opposed to a Government's policies: that the public servants charged with carrying out those policies are 'politicised'. However, I think there is evidence that in recent years there have been instances when 'politicised' is the only appropriate word.

Unless the APS not only is, but is *seen to be*, the right career choice for intelligent Australians dedicated to the impartial ideal of public service, neither the public service nor the government can be fully effective in meeting the needs of our society.

As a result, one of the first challenges of the Rudd Labor Government is to restore the public's trust in the integrity of government and of its administration. A key part of that is re-establishing a relationship between the public service and the Government which is underpinned by a comprehensive framework of ethics, professionalism and transparency.

For the public service, this means frank, comprehensive, impartial and evidence-based advice to Government from public servants. It means maintaining open, merit-based processes for appointments and promotions, including at senior level. It means leaders who model probity and lead by example. It also means fair and equitable employment decisions and adequate protections for public servants whose professionalism is under pressure or being threatened. Without these standards, we cannot hope to retain the skilled and experienced staff so central to the Government's programs of reform, or attract candidates of similar calibre.

Agency head selection arrangements

We have already introduced an important initiative to help restore the public's trust in Government by significantly enhancing transparency in the selection arrangements for many senior positions in the public service.

There is now a formal requirement, for the first time, for most agency head and other statutory office holder positions to be advertised. Appointments must be subject to a merit-based assessment process oversighted by the relevant Departmental Secretary and the Public Service Commissioner, with the appointment made on the basis of this assessment.

Our agenda

The Rudd Government was elected last November with a comprehensive agenda to meet the challenges facing Australia in this new century. The public service will play a crucial role as we continue to move to implement our policies. Although many of you may doubt this, Government Ministers and members *are* aware of the increased workload and what Defence would call 'raised operational tempo' in departments in Canberra and around Australia. The enthusiasm and professionalism with which our requests have been met has been fantastic.

We are particularly aware that this has been at a time of uncertainty for many members of the APS. Inevitably, when a new government takes office, there is a certain degree of trepidation on the part of public servants who for many years have been working closely with the outgoing government and may feel they have been closely associated with its policies.

I hope that the Rudd Government has been able to reassure you all, not only by our commitments, but also by our actions since last November, that there will be no night of the long knives under this Government – as there was in 1996. We do not blame and will not punish public servants who have been doing their job and obeying their charter with integrity and professional skill. Indeed, we would expect nothing less.

This does not mean there will be no change or adjustment in the Australian Public Service. As priorities and agendas change, the structure and organisation of the APS must change in response. This is an ongoing part of public service administration but inevitably it is more intense when a change in government brings a more pressing adjustment to policy orientation.

In addition, the Government is aware that when we talk of the need to make savings to public spending in the current economic climate, public servants become a little nervous. I know for example that when the Defence Minister, Joel Fitzgibbon, spoke of finding efficiencies in the Defence budget through possible reductions in civilian staff, this caused some concern in the APS. It is important to remember that any reductions will be handled carefully in accordance with APSC guidelines and the Defence Collective Agreement.

There is no doubt that keeping the economy strong and containing inflation is the primary challenge for our Government. We do face a difficult period ahead. The Expenditure Review Committee is looking at expenditure line by line, questioning what is the best approach and how can we do it more efficiently. Our focus will be to review all areas of significant expenditure by the end of 2008. We are looking at many other areas – including Government advertising – to make much needed savings.

That is why APS agencies have already been asked to examine their own internal arrangements to seek administrative efficiencies. The extra one-off 2% efficiency dividend imposed on the APS is a catalyst for this. And we are expecting individual agencies to meet this dividend requirement in a sensible manner.

This afternoon I would like to make an important announcement: the establishment of a Career Transition and Support Centre at the Australian Public Service Commission. This Centre will provide advice and support services to employees declared excess as a result of the implementation of the government's efficiency measures. It will also assist with the service-wide redeployment of excess staff, and provide strategic advice to agencies on recruitment and redeployment matters.

The establishment of this unit is a tangible and practical demonstration of the Government's commitment to minimising the personal impact of its budget decisions. It will also ensure that we are well placed to implement our policy agenda through the retention and redeployment of experienced public servants.

Also to assist agencies, the Public Service Commissioner is today issuing a set of service-wide principles to govern excess staffing arrangements, and will work with agencies to ensure that opportunities for staff redeployment are maximised.

These principles will act as a guiding framework for redeploying staff across the APS.

I can assure you that the Government wants to ensure that excess staff are provided with the opportunity to remain in the APS, that the APS is able to retain experienced and qualified staff and redeploy them to areas of need, and that the requirement for the compulsory retrenchment of staff is minimised.

We recognise the importance of retaining skills, knowledge and talent to the ongoing success of a strong and highly qualified public service.

We *do* expect agencies, individually and collectively, to be serious about meeting the fiscal challenge. An organisation of over 150,000 employees has significant purchasing power, and my colleague Lindsay Tanner has commenced initiatives through his department to look at how we can make the best use of this combined purchasing power. Also we need to consider what scope there is for savings or for sharing services, within one or more agencies. These savings will come more easily from a return to a more integrated public service.

Workplace relations arrangements

A key Government priority is of course to reform Australia's workplace relations arrangements, including those applying in the public sector.

In terms of the public service, the Government announced that, from 13 February 2008, no new AWAs could be offered to existing or prospective Australian Government employees. The Government has also taken the decision that no transition agreements will be offered in Australian government employment.

The Government has recently approved new arrangements for agreement making for the APS and other Commonwealth employers which are set out in the Australian Government Employment Bargaining Framework. These arrangements were developed in consultation with a wide range of stakeholders including the CPSU. The Framework implements the Government's workplace relations policy for Australian Government employment by ensuring flexibility and fairness, promoting productivity and providing a central role for collective bargaining arrangements, negotiated at the individual agency level.

Collective agreements will be the principal means of setting terms and conditions of employment for non-SES employees. They will also be available for SES employees where the majority of SES staff in an agency wish to enter into a collective arrangement.

The new bargaining framework provides employees with genuine choice regarding representation in the workplace, including in agreement making, and it ensures that the right of entry and freedom of association provisions as set out in the WR Act are applied in a fair and reasonable manner. The arrangements recognise the legitimate role unions and workplace representatives have in providing advice and support to members in their own workplaces.

The State of the Service

The 2007 *State of the Service Report* provides valuable information about where the APS is “at”, where it has come from, and some indications about where it might be heading. I’m sure many of you are familiar with and interested in its findings – as is the Government.

I know there are some concerns about “classification creep” in the APS, as well as other issues such as the employment and advancement of certain groups such as women, young people and older people.

The Report shows that over the past 15 years there has been a sharp decline in the proportion of ongoing employees at the APS 1-2 levels, while there have been increases in the proportions of APS 6, Executive Level and SES employees.

The trend towards a more skilled workforce continues – as demonstrated by an increase in the proportion of employees with graduate qualifications, a high proportion of new recruits with graduate qualifications, and growth in staff at more senior levels. These changes reflect various factors: for instance, outsourcing lower level functions but taking on new government initiatives and enhanced functions that are increasingly complex in nature.

Recently there has been growth in the employment of young people, and sustained growth over several years in the employment of graduates. APS trainees numbers fell in the year to June 2007 – but employment in trainee classifications has been very volatile over time. Some agencies engage trainees at the APS 1-2 levels rather than in a specific trainee classification – so variations over time may not necessarily reflect agencies’ use of trainees more broadly.

At the other end of the spectrum: there is evidence of a trend towards improved representation of employees aged 55 years and over – providing a significant pool of skills and corporate knowledge.

Women's representation in the APS has continued to increase. Although women are still under-represented in the higher classification levels, there have been significant gains.

Conclusion

I'd like to thank the Union's governing body for inviting me here today.

I worked very closely with the CPSU as a Shadow Minister dealing with the Howard Government's massive cuts to the public service after it came to office and then on the new Public Service Act.

I'm sure over the coming few years, in my capacity as the Minister with responsibility for the Australian Public Service Commission, that I will continue to have a fruitful dialogue with the union.

I'm also sure that we will not always agree.

But I can assure you that I believe the role of your union is crucial in ensuring public servants are treated fairly, and I will always take your views into account.

The Australian Public Service was created to help the Government of the Commonwealth of Australia fulfil its commitments to the Australian people. We *depend* on the public service to do that. The values of the APS – accountability, the provision of frank, honest, comprehensive advice, and the fair, impartial and courteous delivery of services – are values that give the Government, and the community, confidence in the APS and in the way the public service carried out its role and responsibilities.

The Government knows too that we have a responsibility to the public service and to the men and women who work within it. We have a responsibility to respect the values of the APS and nurture a culture of government that enhances those values. And we have a responsibility to respect the men and women who work in the APS and nurture a culture of government that enhances their welfare. I hope that you, as representatives of those men and women, will work with the Rudd Government to ensure all those responsibilities are met.