Launch of the Australian National Institute for Public Policy

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Minister for Innovation, Industry, Science and Research

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Sir Roland Wilson Building, ANU

[check against delivery]
A TALENT FOR BUREAUCRACY

It’s a great pleasure to be here representing the Prime Minister at the official opening of the Australian National Institute for Public Policy.

I would like to pay tribute to the senior staff of the Australian National University, particularly the Vice Chancellor, Professor Ian Chubb, for their hard work in making this day possible.

In the development of the Institute, I also had the great pleasure of working with the former Prime Minister, the Hon Kevin Rudd, who deserves much of the credit for its establishment.

The point of this exercise is to bring together one of the best universities in the world, and one of the best public services in the world.

The approach of Senate Estimates often inspires Ministers to reflect on the sterling qualities of the Australian bureaucracy.

It was Max Weber’s view that:
“the bureaucratic type of administrative organisation is, from a purely technical point of view, capable of attaining the highest degree of efficiency… it is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability.”

Not all of my Parliamentary colleagues may subscribe to that view. And yet we have seen too many bureaucrats pass unscathed through the fires of Estimates to doubt their genuine ability.

There are mistakes, yes. There are poor choices, yes.

But estimates transcripts on the whole tell a story of highly capable, highly committed and highly knowledgeable officers.

You would be surprised to read that in the daily papers.

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For time has certainly not altered the truth of A.F. Davies’ famous observation in his 1964 book *Australian Democracy*:

“*Australians have a characteristic talent for bureaucracy. We take a somewhat hesitant pride in this as it runs counter to our view of ourselves as an ungovernable… people.*

“In practice, our gift… is exercised on a massive scale in government, economy and social institutions.”

There is more than a grain of truth in John Button’s observation that politicians devote much energy to rectifying the failures of their predecessors. But while politicians cannot escape responsibility for administrative failures, experience shows public servants are more often an easy target.

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In fact, the pleasure taken in bureaucrat-bashing has of late reached new extremes, fired by the passions of our political opponents.

For genuine advocates of public sector innovation, this trend has proved a double-edged sword.

On the one hand, the Australian Public Service is constantly exhorted to sharpen up, trim down, reach out and rein in. And to some degree, that’s fair enough.

The public demands improvements. The press castigates failure. The pressure for faster, cheaper and better outcomes is relentless.

But we have also learned, to our cost, that constant negativity has its perils.

When you lose sight of all but stuff-ups and past failures, you may well lose faith that success can be achieved.

We seldom hear, as Professor Roy Green noted last week, that:
“the Government’s response to the global financial crisis has been singled out by economists around the world as well calibrated and effective.”³

Innovation simply cannot thrive in a climate where any risk is unacceptable, and success goes unremarked.

We become easy prey to the claim that free markets and weak government are the sole route to prosperity.

After all, if you can’t trust your bureaucrats, why invest in managing economic growth? Why risk major nation-building projects like the National Broadband Network?

Little wonder, then, that our efforts to foster public sector innovation are so frequently derided by conservatives and the ‘economic dries.’

A call for excellence

Make no mistake. The Australian Labor Government has no intention of accepting anything less than excellence in public policy advice from the APS.

We have set ambitious goals for a richer, fairer and greener Australia, and we cannot deliver them without public servants of the highest calibre.

Markets may generate wealth, and spur the development of new technologies.

But they simply cannot distribute those benefits equitably or sustainably.

They are unable to create the vast underlying infrastructure on which their industries depend.

There will always be a need for government to put in place the right policy framework to initiate, manage and sustain growth.
Powering Ideas, our ten-year innovation agenda, made that clear.  

We saw that we had to take serious action to bolster innovation performance at the enterprise level, or we would struggle to compete in the global economy.

And I may add, we were saying that well before President Obama coined his ‘winning the future’ strategy.

At the same time, the Government is supporting productivity growth through other levers – including tax reform, the roll-out of the NBN, and the rapid expansion in higher education.

Our goals are ambitious. Our strategy is complex. Our tools must be fit for purpose.

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Public enterprise

I am a supporter of public enterprise.

Throughout our history, Australia has been well-served by public officials who stood at the forefront of nation-building endeavours. And yet we hear often that the Commonwealth is incapable of effective service delivery.

This widely-peddled mythology is often articulated by state politicians and bureaucrats.

We should not be surprised if there are examples of administrative failure where tasks are assigned to agencies with little experience in service delivery.

However, this failure is simply not demonstrated within agencies such as AusIndustry, IP Australia, and the Australian Research Council, in my own portfolio – or Centrelink, Medicare, and many other agencies across the public service. These agencies have a long record of effective service delivery, in some cases over many decades.

They manage large and complex programs that ordinary Australians rely on every day. And they deliver
sophisticated projects that implement key elements of
government reform.

In fact, just last week we launched another proud
eexample of innovation by public servants, the inaugural
national report of Excellence in Research for Australia.

The ARC under Professor Margaret Sheil worked
tirelessly to develop the ERA evaluation tool.

That tool gives us, for the first time, the ability to gauge
the quality of Australian research against global
standards.

We can verify the strengths and the weaknesses of the
Australian university research system, and make
evidence-based choices about the allocation of
research support.

This project will help inform the decisions of
Government, of students, of business and of university
administrations. It has already excited considerable
international interest for its ground-breaking technique,
and in financial terms, was delivered with a very modest
budget. And it has enjoyed widespread support from
the universities, who are notoriously renowned for their
overdeveloped professional scepticism of government actions.

That is testament to the expertise, the dedication and the networks of support that the ARC can muster. You just cannot buy this kind of capability off the shelf – some things a government simply has to do for itself.

It is true, of course, that governments of all persuasions have called upon the assistance of external consultants.

But there is a case for us to be more selective in the use of that tool. I am reminded of the question: what is the difference between a consultant and a shopping trolley?

First, you can fit a bit less food and drink in a shopping trolley.

And second – a shopping trolley has a mind of its own.

Outsourcing the frontal lobe work brings with it tremendous risks.

There is a danger that you simply get the opinions you pay for – that consultants are highly tuned to what
agencies want to hear, and are only too happy to provide it.

In his recent book *The Failure of Free-Market Economics*, Martin Feil has raised concerns about the limited quality assurance or disclosure requirements for outsourced advice.

He questions the wisdom of paying through the nose for the advice of former senior public servants (and politicians), moonlighting in retirement as consultants.

I do not contend that consultants have no place in the toolkit of policy advice options. Nor do I suggest that there is not an important role for external review of program effectiveness.

But I am not inclined to dismiss Feil’s concerns outright. The fact remains you simply cannot afford to have the Public Service outsource the critical role of providing core policy advice. It is my contention that we have to

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rebuild this core function of the APS, and I trust that this new institute will assist in that process.

**Collaboration is the solution**

That is why the real answer to the innovation challenges lies in harnessing our strengths through collaboration within and beyond the APS.

Collaboration magnifies our capabilities. It sparks new ideas, and submits those ideas to informed analysis. It builds networks of support that ensure good policy is adopted and sustained. It is the mainstay of innovation.

And I have seen it transform practice in the public service, in my own portfolio.

Labor deliberately welded science, research, industry and innovation policy together on coming to office.

We combined those strengths to ensure the Government’s decisions reflected a full understanding of the complex innovation system.

The laboratory, the factory, the office and the market are each part of a single ecosystem, and cannot be considered in isolation from one another.
That rich understanding enabled us to produce

*Powering Ideas.*

**ANIPP**

I am passionate about achieving cultural change throughout the APS. My periods as shadow minister for the public service and for public administration only deepened my resolve on this question.

The scale of the exercise is considerable. We need the right tools, and an unswerving dedication to quality, if we are to make a genuine difference.

So I am proud to launch today a new Institute that will underpin the new culture of innovation we mean to embed at the heart of the public service.

The Australian National Institute for Public Policy is the joint vision of the Labor Government and the ANU.

This Institute brings together under one banner a rich mix of established and new schools and centres. Their names alone reflect the diversity of expertise the Institute can claim.
• The highly regarded Crawford School of Economics and Government.
• The new National Security College.
• The new Australian Centre on China in the World.

ANIPP also hosts the new HC Coombs Policy Forum, designed to provide public servants with input from academics and other subject experts. It will promote public involvement in policy debate. And it will catalyse inter-disciplinary research in areas of critical national need.

The Commonwealth will invest over $110 million in the Institute over the next four years.

It will pay for itself many times over by reinforcing the public policy capabilities of the APS.

I trust it will save more than a few dollars in consultancy fees along the way.

This will be a truly national institution – not merely in the Victorian sense of the word.
It will build on the mission of the ANU to “advance the cause of learning and research in general and take its rightful place among the great universities of the world.”

**Universities are vital to public policy**

The link between universities and high-calibre public policy agencies has been known for generations.

Today that tradition is exemplified in the Harvard Kennedy School in the United States, regarded as the world’s preeminent public policy institution.

The School’s mission is simple: “to train enlightened public leaders and generate the ideas that provide solutions to our most challenging public problems”.  

There are certainly few institutions that can invite the UN Secretary General, the President of the World Bank and the American President’s Chief of Staff to an alumni dinner.


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6 David T. Ellwood, “Message from the Dean”  
<http://www.hks.harvard.edu/about/message> (accessed 4 February 2011)
The Harvard Kennedy School expects researchers and students to engage actively in global affairs, whether through industry, through government, or through non-profit organisations.

It generates new thinking by breaking down barriers between research disciplines.

It has become a magnet to young people, academics, senior public servants and political leaders alike.

They are drawn from all across the world by the shared belief that, through collaboration, they can remake the world.

And that must be our vision for the Australian National Institute for Public Policy.

If we are to achieve it, we must likewise commit this Institute to the pursuit of excellence.

We will only attract the best and brightest in the world if we can compete with the established public policy centres of the world.
And we will only keep public faith in the APS if we can, through this investment, design and deliver results that make a difference to real people.

We build from a rich base.

We build on the Australian talent for bureaucracy.

And we build on the reputation of a world-class university.

With such foundations as these, we will achieve great things in public sector innovation.