



Chronology  
No. 1 2000-01

## Changes in the Australian Public Service 1975-2000

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I N F O R M A T I O N   A N D   R E S E A R C H   S E R V I C E S

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Changes in the Australian Public Service  
1975–2000

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15 August 2000

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# Contents

Major Issues .....	i
Openness .....	i
Equity and Welfare within the APS .....	i
Efficiency and Effectiveness.....	ii
Introduction.....	1
Background.....	2
Key Changes by Category.....	23
Openness .....	23
Equity and Welfare within the APS.....	23
Efficiency and Effectiveness.....	23
Selected Publications by the Parliamentary Library .....	24
Selected Publications by Parliamentary Committees .....	25
The Joint Committee of Public Accounts and Audit .....	25
Senate Standing Committee on Finance and Public Administration.....	26
Senate Finance and Public Administration References Committee (REF) and Senate Finance and Public Administration Legislation Committee (LEG).....	27
Publications of the Management Advisory Board and the Management Improvement Advisory Committee .....	28
Endnotes.....	29
References.....	31

## List of Acronyms

APS	Australian Public Service
EEO	Equal Employment Opportunity
EPAC	Economic Planning and Advisory Council
OH&S	Occupational Health and Safety
PSMPC	Public Service and Merit Protection Commission
SES	Senior Executive Service



## Major Issues

Since the mid 1970s, the Australian Public Service (APS) has undergone significant changes. These changes can be understood as falling into three categories—openness; internal equity and welfare; and efficiency and effectiveness. It is important to note that in government policy making these categories have not necessarily been given equal weight. For example, in the 1990s it has been argued that under successive governments there was a much stronger emphasis on efficiency and effectiveness than on openness or on internal equity and welfare. Further, it needs to be stated that change has not necessarily been mutually reinforcing. For example, it is quite possible that some efficiency measures have the capacity to undermine attempts to increase the openness of government. Nevertheless, the three categories are useful as a way of 'organising' the large number of changes. Indeed, by identifying the first two categories, it is hoped that readers will be reminded that change in the APS is not exclusively about 'bean-counting'.

### Openness

These changes have been intended to provide citizens with more information about government decision-making and, in some cases, the right to have decisions reviewed. Early examples include the establishment of the Administrative Appeals Tribunal and the introduction of Freedom of Information rights. More recent examples include customer service charters, the Purchasing Advisory and Complaints Service and more independence for the Auditor-General.

### Equity and Welfare within the APS

These changes have been intended to ensure that employees progress according to merit and also that the APS provides a safe workplace. Early changes include the introduction of equal employment opportunity and occupational health and safety initiatives. More recently, the policy of workplace diversity has emphasised benefits to the organisation as well as to the employee.

## Efficiency and Effectiveness

These changes have been intended to ensure that the optimal benefit is extracted from public resources. They have been characterised by an emphasis on the efficient use of financial and human resources, the emulation of the private sector, the adoption of market mechanisms and an emphasis on performance control. This approach was flagged in 1976 in a report commissioned by the Whitlam Government. The Hawke and Keating Governments initiated the efficiency and effectiveness aspect of the transformation of the APS and the Howard Government has accelerated its implementation.

Taken together, these changes constitute a transformation of the public service. It is interesting to note that successive governments have generally consolidated, or at least tolerated, the changes of previous governments.

## Introduction

The purpose of this chronology of key events is to provide a historical context in which to understand the continuing evolution of the APS.<sup>1</sup> More specifically, the chronology is intended to:

- provide a quick reference guide to what happened, and when
- facilitate access to relevant documents, and
- complement more narrative and critical discussions by providing an account that focuses on government decisions, reports and legislation.

The chronology focuses on key events relating to the public service's management of human, financial and other resources. In particular, it includes key events (e.g. documents, announcements and legislation) relating to:

- employment conditions and people management
- financial management
- accountability mechanisms (including some key events in administrative law), and
- service delivery mechanisms.

The number of possible entries in such a chronology is very large. By outlining key events, this chronology is intended to convey the character of change over the last twenty-five years. An important criterion in determining whether an event warranted inclusion was whether secondary sources referred to it.

For reasons of space and time, there are some areas which the chronology does not canvass. The reduction in the number of APS employees is not discussed, although it is illustrated in a graph on page 3. With some exceptions, the chronology does not provide details of changes relating to machinery of government.<sup>2</sup> Cabinet or ministerial responsibility, privatisation, or outsourcing. Nor does it provide information relating to statutory authorities. Reports by parliamentary committees and the Management Advisory Board and Management Improvement Advisory Committee are listed separately at the end of the paper.

## Background

Once the Commonwealth was properly established at the beginning of the 20th century, there was a period of incremental change until the mid 1970s. In contrast, the last twenty-five years of the 20th century have brought rapid and significant change to the APS.

Traditionally, the public service was characterised by the following:

- a stronger emphasis on processes and inputs than results
- a distinctive 'public service' approach to organisation and service delivery
- male domination (e.g. until 1966, female employees were required to resign on marriage)
- security of employment
- a near-monopoly on policy advice to governments
- an entrenched system of preference for those already employed by the public service, and
- central control of personnel practices and conditions.<sup>3</sup>

By the 1970s, this system was being questioned as social changes undermined the foundation of a distant and hierarchical bureaucracy. In 1974, the Prime Minister announced the establishment of a Royal Commission to examine government administration. In the area of administrative law, several inquiries were conducted, leading to recommendations for changes that would open government decisions to scrutiny. Meanwhile, an emerging critique of government put pressure on governments to demonstrate that they used public resources wisely.

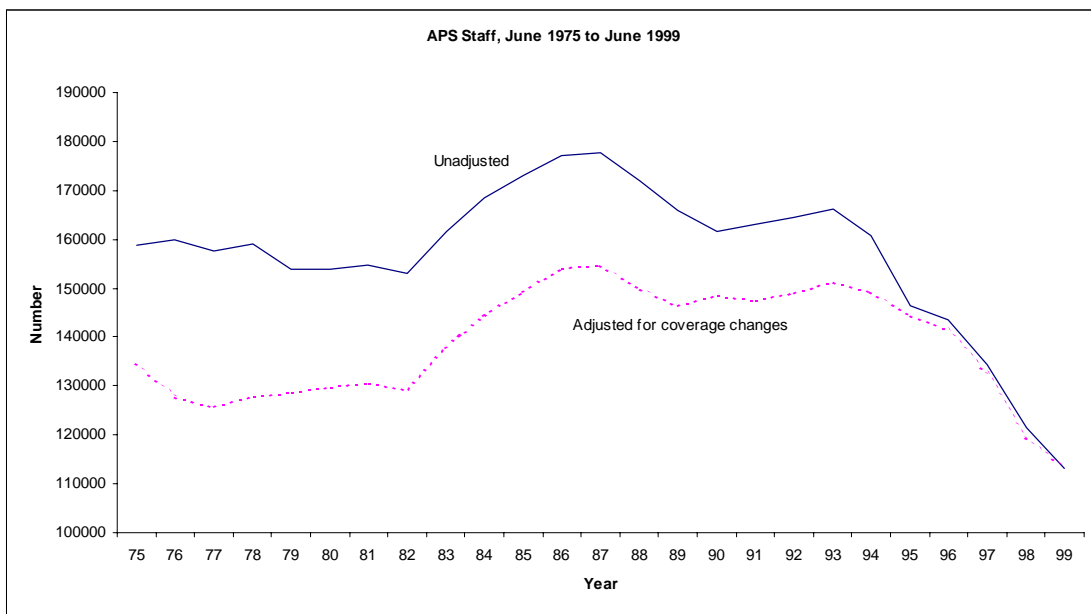
This questioning has led to significant public service change since 1975. The impact of this change is encapsulated in the demise of the term 'public administration' and the rise of the term 'public management'. The difference is explained by public policy analyst, Owen Hughes: 'managers are now responsible for results, where administrators simply carry out the instructions of others'.<sup>4</sup> Similarly, John Halligan and John Power describe management as 'the direct and efficient harnessing of scarce resources to the attainment of clearly defined organizational outputs'.<sup>5</sup> A centrepiece of the new approach is the *Public Service Act 1999*, which replaced the much amended *Public Service Act 1922*.<sup>6</sup>

In contrast to its predecessor,<sup>7</sup> the 'new' APS is characterised by:

- flexibility regarding processes, accountability for outputs and outcomes, and a strong emphasis on efficiency

- similarity with the private sector in organisation and service delivery, and increasing use of the private sector to deliver services
- a more diverse workforce, particularly at senior levels
- increasing use of contract employment and greater scope for public servants to be dismissed
- responsibility for policy advice shared with political advisers and consultants
- employment opportunities at all levels for people not currently employed by the public service
- enhanced political control of the bureaucracy
- a variety of avenues for citizens to obtain information and/or redress
- devolution of personnel practices and conditions, and
- decentralisation of budget responsibilities.

While the decline in the number of employees is an integral component of the drive for efficiency, it does not lend itself to the chronology format. The following graph illustrates the increase and subsequent decline in APS employment over this period.<sup>8</sup>



Source: Public Service and Merit Protection Commission

The driving forces<sup>9</sup> behind this new approach to public service management include the following:

- social changes leading to new expectations of government and government employment, including questioning of whether centralised bureaucracies adequately understand the needs of citizens
- trends in public sector management in other Anglo-American democracies, notably the United Kingdom and New Zealand<sup>10</sup>
- the ascendancy of arguments for smaller government
- growing belief in the virtue of fiscal austerity,<sup>11</sup> and
- advances in telecommunications and information technology.

## Chronology

Milestones	Details	Source Documents
1975	Equal Employment Opportunity (EEO) Section is established in the Public Service Board to address employment inequities facing women, indigenous Australians, people with disabilities and people from a non-English speaking background.	Public Service Board, <i>Annual Report 1974–75</i> .
1975	Administrative Appeals Tribunal is established to provide independent review of a wide range of administrative decisions made by the Commonwealth Government and some non-government bodies.	<i>Administrative Appeals Tribunal Act 1975</i> . <sup>12</sup> <a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
1976	Report into government administration (Coombs Commission) supports: <ul style="list-style-type: none"><li>• more accountability for public servants</li><li>• mechanisms to improve the relationship between officials and the community</li><li>• an emphasis on managerial skills</li><li>• more efficient and responsive service delivery</li><li>• devolution of responsibility, as well as greater flexibility and diversity in organisational styles</li><li>• more efficient and economical use of human resources, and</li><li>• a more open public service.</li></ul>	Royal Commission on Australian Government Administration, <i>Report</i> , AGPS, Canberra, 1976.

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Milestones	Details	Source Documents
1976	Commonwealth Ombudsman is established to consider complaints from people who believe they have been adversely affected by the defective administration of Commonwealth departments or agencies.	<i>Ombudsman Act 1976.</i> <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>
1977	Legislation to facilitate judicial review by the Federal Court of some exercises of Commonwealth power (came into operation 1 October 1980).	<i>Administrative Decisions (Judicial Review) Act 1977.</i> <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>
1977	Legislation to allow for the dismissal of staff who engage in industrial action and the suspension without pay of staff who cannot work as a result of industrial action (repealed with effect from November 1983).	<i>Commonwealth Employees (Employment Provisions) Act 1977 (now defunct).</i> <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>
1979	Facilitation of the retrenchment of public servants surplus to requirements and a requirement for the permanent head to ensure the efficient, effective and economical use of the department's staff.	<i>Commonwealth Employees Redeployment and Retirement Act 1979 (now defunct).</i> <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>
1980	Public Service Board advises departments to adopt the common law principle of 'No work as directed—no pay'. This is ruled not to be legal, leading to the amendment of the <i>Public Service Act 1922</i> to provide for the principle (repealed in 1983).	
1982	Extension of the right of the community to access information in the possession of the Commonwealth Government.	<i>Freedom of Information Act 1982.</i> <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>

Milestones	Details	Source Documents
January 1983	Reid Report (review announced 23 September 1982) emphasises the importance of quality management (including financial management and personnel management), as well as issues relating to machinery of government, ministerial responsibility and administrative review.	<i>Review of Commonwealth Administration report</i> , AGPS, Canberra, 1983.
December 1983	Statement by the Prime Minister emphasises efficiency, effectiveness, equity and responsiveness to Ministers and the Parliament (leads to the <i>Public Service Reform Act 1984</i> ).	R.J.L. Hawke, <i>Reforming the Australian Public Service: A Statement of the Government's Intentions</i> , AGPS, Canberra, 1983.
1984	Merit Protection and Review Agency established to ensure that actions taken in relation to Commonwealth employees are fair and equitable.	<i>Merit Protection (Australian Government Employees) Act 1984</i> .  <a href="http://www.austlii.edu.au/">http://www.austlii.edu.au/</a>
1984	<p><i>Public Service Reform Act 1984</i>:</p> <ul style="list-style-type: none"> <li>• enshrinement of the merit principle</li> <li>• equal employment opportunity</li> <li>• industrial democracy</li> <li>• permanent part-time work</li> <li>• opening up of opportunities at lower levels</li> <li>• formation of Senior Executive Service (effective 1 October 1984)</li> <li>• provision for consultants to be appointed by ministers, and</li> <li>• greater political role in appointing and managing departmental secretaries (no longer 'Permanent Heads').</li> </ul>	<i>Public Service Reform Act 1984</i> (now defunct).  <a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>

Milestones	Details	Source Documents
1984	Abolition of the Public Service Arbitrator.	<i>Conciliation and Arbitration Amendment Act 1983.</i>
		<a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
February 1984	Financial Management Improvement Program emphasises a shift away from compliance towards performance control (including program budgeting which is phased in during the mid-1980s).	Australian Public Service Board and Department of Finance, <i>Financial Management Improvement Program—Diagnostic Study</i> , 1984.
21 March 1984	Announcement that a working party will monitor EEO practices in the Department of Employment and Industrial Relations and develop a management plan (other departments to follow).	
26 March 1984	Cabinet agrees to proceed with changes outlined in <i>Reforming the Australian Public Service: A Statement of the Government's Intentions</i> .	
April 1984	<p><i>Budget Reform</i> paper sets out the Government's reform priorities:</p> <ul style="list-style-type: none"> <li>• better means of identifying and setting budget priorities</li> <li>• more emphasis on the goals and objectives of programs</li> <li>• improved performance and efficiency, and</li> <li>• effective review mechanisms</li> </ul>	Department of Finance, <i>Budget Reform—A Statement of the Government's Achievements and Intentions in Reforming Australian Government Financial Administration</i> , AGPS, Canberra, 1984.
1985	Public Service Board develops a model Occupational Health and Safety (OH&S) agreement.	

Milestones	Details	Source Documents
11 June 1986	Prime Minister announces the streamlining and rationalisation of some functions and agencies in response to difficult economic circumstances.	R.J.L. Hawke, <i>Address to the Nation on the Economic Situation</i> , 11 June 1986.
25 September 1986	<p>Prime Minister's statement to Parliament announces:</p> <ul style="list-style-type: none"> <li>• establishment of Efficiency Scrutiny Unit to investigate cost-saving opportunities</li> <li>• measures to enhance financial efficiency, and</li> <li>• changes to personnel management.</li> </ul>	<p>R.J.L. Hawke, <i>Statement to the House of Representatives on Reform of the Australian Public Service</i>, 25 September 1986.</p> <p><a href="http://search.aph.gov.au/search/ParlInfo.ASP?action=view&amp;item=103&amp;from=browse&amp;path=Chamber/House/Hansard/1986/Budget/25+September+1986&amp;items=152">http://search.aph.gov.au/search/ParlInfo.ASP?action=view&amp;item=103&amp;from=browse&amp;path=Chamber/House/Hansard/1986/Budget/25+September+1986&amp;items=152</a></p>
1987	Restructuring and Efficiency Principle rationalises job classifications for clerical and support staff.	
July 1987	Efficiency Scrutiny Unit recommends the replacement of the Public Service Board with a Public Service Commission (holding a reduced role), the devolution of some functions to departments and the transfer of some functions to the Department of Employment and Industrial Relations and to the Department of Finance.	D. Bock, <i>Report by Efficiency Scrutiny Unit on proposed successor arrangements to the Public Service Board</i> , Canberra, 1987.
14 July 1987	Announcement of the formation of 'mega departments', generally headed by a senior minister assisted by junior ministers (number of departments reduced from 28 to 18).	Prime Minister's media release, 14 July 1987.

Milestones	Details	Source Documents
18 September 1987	Replacement of Public Service Board with smaller Public Service Commission (some responsibilities transferred to the Department of Finance or the Department of Industrial Relations, or devolved to departments).	<i>Administrative Arrangements Act 1987</i> (now defunct). <a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
	Establishment of Australian Public Service Management Advisory Board, to advise the Government on significant management issues and act as a forum for consideration of major management activities (replaced by the Management Advisory Committee in 1999).	
August 1988	Adoption of the Structural Efficiency Principle leads to rationalisation of job classifications for professional, technical and blue collar grades.	
8 December 1988	<i>Privacy Act 1988</i> passed, regulating the collection, handling and use of personal information by the Commonwealth, and also establishing the Privacy Commissioner within the Human Rights and Equal Opportunity Commission.	<i>Privacy Act 1988</i> . <a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
December 1989	Management Improvement Advisory Committee established to support the Management Advisory Board.	
12 June 1990	Privacy Commissioner releases a directory detailing the amount and type of records of a personal nature held by the Commonwealth.	<i>Personal Information Digest</i> , Human Rights and Equal Opportunity Commission, Sydney, 1989.
13 November 1990	Economic Planning and Advisory Council (EPAC) report concludes that productivity improvements in the public sector have generally outpaced those in the private sector.	<i>The size and efficiency of the public sector</i> , Canberra, EPAC, 1990.

Milestones	Details	Source Documents
1991	OH&S programs required in agencies, to be developed in consultation with unions.	<i>Occupational Health and Safety Act 1991.</i>
		<a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
15 July 1992	Announcement that the Refugee Review Tribunal will replace the Refugee Status Review Committee, resulting in more limited avenues of appeal.	
9 September 1992	Announcement that all new contracts with the Department of Administrative Services will include a clause requiring suppliers to comply with the EEO requirements of the Government.	
6 November 1992	Announcement of a workplace agreement allowing for productivity reforms and agency-level bargaining.	
December 1992	<p>An evaluation of a decade of management changes concludes that :</p> <ul style="list-style-type: none"> <li>• the direction of change was correct</li> <li>• changes were well accepted, and had many positive effects as well as some costs, and</li> <li>• further changes needed to be undertaken.</li> </ul>	<i>Task Force on Management Improvement, The Australian Public Service Reformed: An evaluation of a decade of management reform, AGPS, 1992.</i>
December 1992	<p>Service-wide <i>APS Agreement 1992–94</i> (extended to 1995) includes:</p> <ul style="list-style-type: none"> <li>• some funded wage increases</li> <li>• further pay negotiations at agency level, and</li> <li>• equalisation of pay on expiry of agreement.</li> </ul>	<i>Improving productivity, jobs and pay in the Australian Public Service 1992–94, Department of Industrial Relations, December 1992.</i>

Milestones	Details	Source Documents
December 1992	Performance pay introduced for SES and senior officers in order to encourage productivity growth (later wound back for senior officers).	<i>Improving productivity, jobs and pay in the Australian Public Service 1992–94—Agreement between the Commonwealth Government and public sector unions</i> , Canberra, 1992.
1994	Provision of fixed term appointments for departmental Secretaries.	<i>Prime Minister and Cabinet (Miscellaneous Provisions) Act 1994</i> .  <a href="http://scaletext.law.gov.au/html/comact/8/4321/top.htm">http://scaletext.law.gov.au/html/comact/8/4321/top.htm</a>
20 June 1994	Announcement that the Auditor-General will be funded directly from the Budget and that a parliamentary Audit Committee will be established.	
7 October 1994	Cabinet introduces measures to enforce equal representation of women on public boards and committees.	
1995	Report of the Public Service Act Review Group recommends that the <i>Public Service Act 1922</i> be replaced by a new Act that will be '...built around the principles and values which stress the centrality of an apolitical public service with merit-based staffing, high standards of honesty and integrity, a strong focus on efficiency and results, and responsiveness and accountability to the government of the day while maintaining a capacity to provide quality and impartial advice.'	R. McLeod, <i>Report of the Public Service Act Review Group</i> , AGPS, Canberra, 1994.
1995	Public Service and Merit Protection Commission (PSMPC) established through the amalgamation of the Public Service Commission and the Merit Protection and Review Agency.	

Milestones	Details	Source Documents
4 May 1995	Government announces plans to replace the <i>Public Service Act 1922</i> in response to <i>Report of the Public Service Act Review Group</i> .	
July 1995	Government and unions agree to a service-wide enterprise agreement for 1995–96.	
14 September 1995	Administrative Review Council's report into the effectiveness of the merits review tribunals makes a number of recommendations, including the consolidation of five tribunals into a single new tribunal.	Administrative Review Council, <i>Better decisions: review of Commonwealth Merits Review Tribunals</i> , Canberra, AGPS, 1995.
September 1995	Service-wide APS agreement 1995–96 includes a strategy for securing further efficiencies.	<i>Continuous Improvement in the APS</i> , Agreement between the Commonwealth Government and public sector unions, September 1995.
1996	Six departmental secretaries' appointments terminated following the change of government.	
1996	Industry Commission, Bureau of Industry Economics and Economic Planning Advisory Commission amalgamate on an administrative basis.	
June 1996	National Commission of Audit (established March 1996) recommends a more limited role for government, a greater emphasis on effectiveness and efficiency, and the separation of policy formation from program delivery.	National Commission of Audit, <i>Report to the Commonwealth Government</i> , Canberra, AGPS, 1996.  <a href="http://www.dofa.gov.au/pubs/ncoa/coaintro.htm">http://www.dofa.gov.au/pubs/ncoa/coaintro.htm</a>

Milestones	Details	Source Documents
November 1996	Discussion paper issued by The Hon Peter Reith MP, leads to the <i>Public Service Act 1999</i> and the <i>Parliamentary Service Act 1999</i> . It points to the potential benefits of flexibility, streamlining and cultural change.	P. Reith, <i>Towards a Best Practice Australian Public Service</i> , November 1996.  <a href="http://www.psmpe.gov.au/psact/apsreformdiscussionpaper.htm">http://www.psmpe.gov.au/psact/apsreformdiscussionpaper.htm</a>
November 1996	Small Business Deregulation Task Force reports to the Government on ways to reduce the compliance burden on small businesses (e.g. single entry point for collection of information and effective use of information technology).	Small Business Deregulation Task Force, <i>Time for Business</i> , 1996.
December 1996	Under the <i>Workplace Relations Act 1996</i> : <ul style="list-style-type: none"> <li>• illegal for agencies to pay employees while on strike, or using bans or limitations</li> <li>• limitations on union officials' access to workplaces</li> <li>• provision for agencies to make individual agreements with staff</li> <li>• award simplification, removing some rights that had been negotiated under previous awards, and</li> <li>• move from paid rate awards to minimum rate awards (eroding pay over time).</li> </ul>	<i>Workplace Relations Act 1996</i> .  <a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a>
1997	Government introduces Public Service Bill (amended Bill passed in 1999).	
March 1997	Agencies to be responsible for agreement-making, using certified agreements and/or Australian Workplace Agreements, and subject to the Government's policy parameters.	Media release, Minister for Industrial Relations, 5 March 1997.  <a href="http://www.dewrsb.gov.au/ministers/reith/mediarelease/1997/agrees.htm">http://www.dewrsb.gov.au/ministers/reith/mediarelease/1997/agrees.htm</a>

Milestones	Details	Source Documents
March 1997	All government departments, agencies and business enterprises dealing with the public to be required to develop customer service charters.	Media release, Minister for Small Business and Consumer Affairs, 26 March 1997.  <a href="http://www.isr.gov.au/media/archive/March97/80-97.html">http://www.isr.gov.au/media/archive/March97/80-97.html</a>
20 March 1997	Attorney-General announces that the Government proposes to amalgamate the Administrative Appeals Tribunal, the Social Security Appeals Tribunal, the Immigration Review Tribunal and the Refugee Review Tribunal to create a single review body to be called the Administrative Review Tribunal (expected to commence operations in February 2001). Originally, the Veterans' Review Board was also to be amalgamated but this was reversed in February 1992.	Media release, Attorney-General, 20 March 1997.  <a href="http://law.gov.au/ahome/agnews/1997newsag/23920.htm">http://law.gov.au/ahome/agnews/1997newsag/23920.htm</a>  Media release, Attorney-General, 9 May 2000.  <a href="http://law.gov.au/ahome/agnews/2000newsag/ART_00.htm">http://law.gov.au/ahome/agnews/2000newsag/ART_00.htm</a>
24 March 1997	Prime Minister responds to the <i>Time for Business</i> report, agreeing to a range of measures including the electronic facility, <a href="http://www.business.gov.au">www.business.gov.au</a>	J. Howard, <i>More Time for Business</i> , Canberra, AGPS, 1997.
25 April 1997	Announcement that departments' information technology infrastructure will be outsourced to the private sector.	Media release, Minister for Finance, 25 April 1997.  <a href="http://www.dofa.gov.au/media/press/itoutsrc.html">http://www.dofa.gov.au/media/press/itoutsrc.html</a>
July 1997	First Australian Workplace Agreement in the APS.	The Hon. Dr David Kemp MP, 'An Overview of APS Reforms—What we are doing', 25 February 1998.  <a href="http://www.psmpc.gov.au/publications98/apsreformsoverview.htm">http://www.psmpc.gov.au/publications98/apsreformsoverview.htm</a>

Milestones	Details	Source Documents
24 September 1997	Launch of Centrelink, a statutory authority that provides customer services on behalf of several government agencies (a significant example of split between purchaser and provider of services).	<p data-bbox="1150 394 1375 479"><i>Commonwealth Service Delivery Act 1997.</i></p> <p data-bbox="1150 517 1375 568"><a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a></p> <p data-bbox="1150 607 1375 651"><a href="http://www.centrelink.gov.au/">http://www.centrelink.gov.au/</a></p>
26 November 1997	First Certified Agreements in the APS (agreements at department or agency level)—Public Service and Merit Protection Commission.	<p data-bbox="1150 689 1375 927">Agreement summary on the web site of the Department of Employment, Workplace Relations and Small Business.</p> <p data-bbox="1150 965 1375 1128"><a href="http://www.dewrsb.gov.au/workplacerelements/publicsector/progressinagreementmaking/summary/psmpcsummary.htm">http://www.dewrsb.gov.au/workplacerelements/publicsector/progressinagreementmaking/summary/psmpcsummary.htm</a></p>
8 December 1997	Commitment that all appropriate government services will be Internet-deliverable by 2001.	<p data-bbox="1150 1167 1375 1285">Media release, Minister for Finance and Administration, 8 December 1997.</p> <p data-bbox="1150 1323 1375 1397"><a href="http://www.dofa.gov.au/media/press/mortimer.html">http://www.dofa.gov.au/media/press/mortimer.html</a></p>

Milestones	Details	Source Documents
11 December 1997	Announcement of new purchasing arrangements, including the establishment of a new Purchasing Advisory and Complaints Service.	<p>Media release, Minister for Finance and Administration and Minister for Industry, Science and Tourism, 11 December 1997.</p> <p><a href="http://www.dofa.gov.au/media/press/govpurch.html">http://www.dofa.gov.au/media/press/govpurch.html</a></p>
1998	<p><i>Charter of Budget Honesty Act 1998</i> is passed, providing for the publication of:</p> <ul style="list-style-type: none"> <li>• regular reports setting out fiscal strategy</li> <li>• an intergenerational report at least once every five years assessing the long term sustainability of government policies</li> <li>• a pre-election economic and fiscal outlook report, and</li> <li>• costing of election commitments.</li> </ul>	<p><i>Charter of Budget Honesty Act 1998.</i></p> <p><a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a></p>
1 January 1998	Package of new financial management legislation comes into effect:	

Milestones	Details	Source Documents
	<ul style="list-style-type: none"> <li>responsibilities of agency heads in such areas as record keeping, fraud control and borrowing.</li> </ul>	<p><i>Financial Management and Accountability Act 1997.</i></p> <p><a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a></p>
	<ul style="list-style-type: none"> <li>reporting and auditing requirements for Commonwealth authorities, as well as standards of conduct, and</li> </ul>	<p><i>Commonwealth Authorities and Companies Act 1997.</i></p> <p><a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a></p>
	<ul style="list-style-type: none"> <li>more independence for the Auditor-General and a greater role for Parliament in advising of its audit priorities, approving the appointment of the Auditor-General and reviewing the budget of the Auditor-General.</li> </ul>	<p><i>Auditor-General Act 1997.</i></p> <p><a href="http://www.austlii.edu.au">http://www.austlii.edu.au</a></p>
26 February 1998	Announcement that employment services will be contracted out to a range of organisations (to be known as the Job Network).	<p>Media release, Minister for Education, Training and Youth Affairs, 26 February 1998.</p> <p><a href="http://www.detya.gov.au/ministers/kemp/K10_260298.htm">http://www.detya.gov.au/ministers/kemp/K10_260298.htm</a></p>
March 1998	Regulations are introduced into Parliament requiring the Public Service Commissioner to present an annual <i>State of the Service Report</i> to Parliament.	Regulation 12 of the Public Service Regulations.

Milestones	Details	Source Documents
11 March 1998	First fully audited accrual financial statements for the Commonwealth.	Media release Minister for Finance and Administration, 11 March 1998.  <a href="http://www.dofa.gov.au/media/press/accrualbudg.html">http://www.dofa.gov.au/media/press/accrualbudg.html</a>
April 1998	Productivity Commission established as the Government's principal review and advisory body on microeconomic policy and regulation.	<i>Productivity Commission Act 1998.</i>  <a href="http://scaleplus.law.gov.au/html/pasteact/2/3112/top.htm">http://scaleplus.law.gov.au/html/pasteact/2/3112/top.htm</a>
May 1998	New procurement guidelines provide 'core policies and principles intended to strike a balance between prescription and empowerment so as to encourage agencies to obtain the best value from procurement, on a whole of life basis'.	<i>Procurement Guidelines—core policies and principles,</i> Department of Finance and Administration, 1998.  <a href="http://www.ctc.gov.au/publications/purchasing/cpg/index.htm">www.ctc.gov.au/publications/purchasing/cpg/index.htm</a>
1 July 1998	Commonwealth's policy of non-insurance is replaced with a policy of self-insurance, providing more incentive to manage risk.	Media release, Minister for Finance and Administration, 30 June 1998.  <a href="http://www.dofa.gov.au/media/press/comcover.html">http://www.dofa.gov.au/media/press/comcover.html</a>
3 July 1998	Business Entry Point is launched (an electronic information and transaction facility for businesses).	<a href="http://www.business.gov.au">www.business.gov.au</a>

Milestones	Details	Source Documents
3 August 1998	Launch of a booklet outlining the Government's expectations of the APS in areas such as customer focus, agreement making and performance measurement.	<p><i>APS Reform: Building on Good Practice</i>, Public Service and Merit Protection Commission, 1998.</p> <p><a href="http://www.psmpc.gov.au/publications98/goodpractice.htm">http://www.psmpc.gov.au/publications98/goodpractice.htm</a></p>
4 March 1999	Remuneration Tribunal determines a new approach to setting the remuneration levels for departmental secretaries which includes provision for an annual performance bonus, to become available during 1999-00 (the Prime Minister to make a recommendation to the Tribunal on the performance of a secretary after considering a report prepared by the Secretary to the Department of Prime Minister and Cabinet and the Public Service Commissioner).	<p>Media release, Minister for Finance and Administration, 24 November 1998.</p> <p><a href="http://www.dofa.gov.au/media/press/firstaccrualbudget.html">http://www.dofa.gov.au/media/press/firstaccrualbudget.html</a></p>
11 May 1999	First accrual Budget delivered (an agency is funded for an agreed price for its outputs, including non-cash items such as depreciation).	<p>Media release, Minister Assisting the Prime Minister for the Public Service, 19 May 1999.</p> <p><a href="http://www.psmpc.gov.au/media/ministerspeech19may.htm">http://www.psmpc.gov.au/media/ministerspeech19may.htm</a></p>
19 May 1999	<p>Senior Executive Leadership Capability Framework, prioritises:</p> <ul style="list-style-type: none"> <li>• shaping strategic thinking</li> <li>• achieving results</li> <li>• cultivating productive working relationships</li> <li>• exemplifying personal drive and integrity, and</li> <li>• communicating with influence</li> </ul>	<p>Media release, Minister Assisting the Prime Minister for the Public Service, 19 May 1999.</p> <p><a href="http://www.psmpc.gov.au/media/ministerspeech19may.htm">http://www.psmpc.gov.au/media/ministerspeech19may.htm</a></p>

Milestones	Details	Source Documents
1 July 1999	Agencies able to operate bank accounts with private sector banks, opening the Reserve Bank of Australia to competition.	Media release, Minister for Finance and Administration, 31 July 1998.  <a href="http://www.dofa.gov.au/media/press/banking%5Fcompetition.html">http://www.dofa.gov.au/media/press/banking%5Fcompetition.html</a>
19 August 1999	Dismissal of Paul Barratt (Secretary of Defence) upheld by the Federal Court: <ul style="list-style-type: none"><li>• Prime Minister does not require cause to dismiss a secretary, and</li><li>• a dismissed secretary is entitled to hear the grounds on which they are to be dismissed, and to put their case to the Secretary of the Department of Prime Minister and Cabinet.</li></ul>	
1 September 1999	SES selection changed to be based on the Senior Executive Leadership Capability Framework.	PSMPC Circular, 25 August 1999.  <a href="http://www.psmpc.gov.au/circulars/circular9911.htm">http://www.psmpc.gov.au/circulars/circular9911.htm</a>

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Milestones	Details	Source Documents
5 December 1999	<p><i>Public Service Act 1999</i> and <i>Parliamentary Service Act 1999</i> take effect, establishing the separation of parliamentary departments from public service departments and enshrining a range of features, including:</p> <ul style="list-style-type: none"> <li>• values and codes of conduct</li> <li>• protection for whistleblowers</li> <li>• employment equity</li> <li>• prohibition on patronage and favouritism</li> <li>• streamlining of employment powers (including those of dismissal) of departmental secretaries, and</li> <li>• making provisions for departmental secretaries to enter into collective and/or individual employment contracts and agreements.</li> </ul> <p>The Act also replaces the Management Advisory Board with the Management Advisory Committee.</p>	<p><i>Public Service Act 1999</i>.</p> <p><a href="http://scaletext.law.gov.au/html/comact/10/6059/top.htm">http://scaletext.law.gov.au/html/comact/10/6059/top.htm</a></p> <p><i>Parliamentary Service Act 1999</i>.</p> <p><a href="http://scaletext.law.gov.au/html/comact/10/6057/top.htm">http://scaletext.law.gov.au/html/comact/10/6057/top.htm</a></p>
9 May 2000	<p>The Department of Finance and Administration and the Office of Asset Sales and Information Technology Outsourcing to jointly implement the market testing of Commonwealth activities and services, commencing with corporate services.</p>	<p>Media release, Minister for Finance and Administration, 9 May 2000.</p> <p><a href="http://www.dofa.gov.au/Media/Fahey/Media/15of00_Budget_CTC_initiative.html">http://www.dofa.gov.au/Media/Fahey/Media/15of00_Budget_CTC_initiative.html</a></p>

## Key Changes by Category

Openness	Equity and Welfare within the APS	Efficiency and Effectiveness
Administrative Appeals Tribunal	Workplace Diversity initiatives	Financial Management Improvement Program
Ombudsman	Merit Protection and Review Agency	Performance review and performance pay
Facilitation of judicial review	OH&S initiatives	Efficiency Scrutiny Unit
Freedom of Information	EEO initiatives	Devolution of responsibility
More independence for the Auditor-General		Program management and budgeting, and accrual management and budgeting
Annual <i>State of the Service</i> Report		Private sector provision of services to, and on behalf of, government
Purchasing Advisory and Complaints Service		New employment arrangements for departmental secretaries
Charter of Budget Honesty		<i>Workplace Relations Act 1996</i>
Customer Service Charters		Agency agreements and AWAs
<i>Privacy Act 1988</i>		Formation of SES
		New purchasing arrangements
		Delivery of services on the Internet
		<i>Financial Management and Accountability Act 1997</i> and <i>Commonwealth Authorities and Companies Act 1997</i>
		<i>Public Service Act 1999</i> and <i>Parliamentary Service Act 1999</i>
		Fewer public service employees

## **Selected Publications by the Parliamentary Library**

Creyke, R., 'The Administrative Appeals Tribunal—What's Happening?', *Current Issues Brief* no. 8, 1999–2000

De Laine, M., 'International Themes in Public Service Reform', *Background Paper* no. 3, 1997–98

Dippelsman, R., 'Thirty years of Parliamentary and Public Service Salaries', *Research Note* no. 50, Jan.–June 1995

Kryger, T. and D. James, 'The Changing Size of the Commonwealth Public Service', *Research Note* no. 46, 1995–96

Mulgan, R., 'Politicising the Australian Public Service?' *Research Paper* no. 3, 1998–99

Nethercote, J., 'New Public Service Legislation: the Public Service Bill 1997', *Background Paper* no. 2, 1997–98

Nethercote, J., 'Public Sector Executive Salaries', *Research Note* no. 23, 1998–99

Nethercote, J., 'Departmental Machinery of Government Since 1987', *Research Paper* no. 24, 1998–99

Ohlin, J., 'Will Privatisation and Contracting Out Deliver Community Services?' *Research Paper* no. 15, 1997–98

O'Neill, S., 'Agency Bargaining in the Australian Public Service: A Stocktake', *Research Note* no. 18, 1996–97

O'Neill, S., 'Report of the Public Service Act Review group: summary and contents', *Research Paper* no. 3, July–December 1995

O'Neill, S., Review of 'Towards A Best Practice Australian Public Service', *Current Issues Brief* no. 13, 1996–97

Spry, M., 'Procedural Fairness and the Right to Dismiss a Senior Public Servant', *Research Note* no. 3, 1999–2000

Verspaandonk, R., 'Accrual Budgeting—State of Play', *Research Note* no. 30, 1999–2000

Winter, G., 'Whither Public Sector Employment?' *Research Note* no. 17, 1997–98

## Selected Publications by Parliamentary Committees

### The Joint Committee of Public Accounts and Audit<sup>13</sup>

<b>Report number</b>	<b>Title</b>	<b>Date of presentation</b>
184	Internal Audit in the Australian Public Service—A Discussion Paper	11 Feb 1981
191	Commonwealth Government Financial Administration—A Handbook	10 Nov 1981
202	The Selection and Development of Senior Managers in the Commonwealth Public Service	28 Oct 1982
296	The Auditor-General—Ally of the People and Parliament—Reform of the Australian Audit Office	6 Apr 1989
319	Review of the Independent Auditor—Watching the Watchdog	5 Nov 1992
323	Managing People in the Australian Public Service—Dilemmas of Devolution and Diversity	17 Dec 1992
331	An Advisory Report on the Financial Management and Accountability Bill 1994, the Commonwealth Authorities and Companies Bill 1994 and the Auditor-General Bill 1994, and on a Proposal to Establish an Audit Committee of Parliament	22 Sep 1994
332	The Australian Government Credit Card	11 May 1994
338	Accrual Accounting—A Cultural Change	31 Aug 1995
341	Financial Reporting for the Commonwealth—Towards Greater Transparency and Accountability	29 Nov 1995
346	Guarding the Independence of the Auditor-General	10 Oct 1996
351	An Advisory Report on the Charter of Budget Honesty Bill 1996	20 Mar 1997
353	An Advisory Report on the Public Service Bill 1997 and the Public Employment (Consequential and Transitional) Amendment Bill 1997	29 Sep 1997
369	Australian Government Procurement	30 Jun 1999
374	Review of Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997	16 Mar 2000

## Senate Standing Committee on Finance and Public Administration

<b>Report tabled</b>	<b>Date</b>
Report on Proposed Amendments to Audit Act 1901	Oct 1987
Review of the Efficiency Scrutiny Program	12 Apr 1989
The Timeliness and Quality of Annual Reports	15 Aug 1989
The Development of the Senior Executive Service—Performance Based Pay	9 May 1990
Development of the Senior Executive Service	18 Oct 1990
Estimates Committee Documentation and Procedures	9 May 1991
Review of the Office of the Commonwealth Ombudsman	25 Feb 1992
Performance Pay	1 Feb 1994
Public Service Reform; vol 1, Conference Papers; vol 2, Conference Proceedings	1 Sep 1994
Order of the Senate for the Production of Indexed Lists of Departmental Files	20 Sep 1994

Senate Finance and Public Administration References Committee (REF) and Senate Finance and Public Administration Legislation Committee (LEG)

<b>Report tabled</b>	<b>Date</b>
Report on Financial Management and Accountability Bill 1994; Commonwealth Authorities and Companies Bill 1994, Auditor-General Bill 1994 Audit (Transitional & Miscellaneous) Amendment Bill 1995. (LEG)	6 Mar 1995
Property Management in the Australian Public Service (REF)	29 Jun 1995
Report on Prime Minister and Cabinet (Miscellaneous Provisions) Bill 1995 (LEG)	23 Oct 1995
Service Delivery (REF)	14 Dec 1995
Review of the Operation of the Order for the Production of Indexed Lists of Departmental Files (REF)	5 Feb 1997
Ombudsman Amendment Bill 1996 (LEG)	13 Feb 1997
Towards a Best Practice Australian Public Service (REF) (Presented to the President 28 February 1997)	3 Mar 1997
Report on the Provisions of the Public Service Bill 1997 (REF)	2 Oct 1997
Format of the Portfolio Budget Statements (LEG)	30 Oct 1997
Contracting Out of Government Services (REF)	10 Nov 1997
Contracting Out of Government Services—Second Report (REF)	14 May 1998
Review of the Operation of the Order for the Production of Indexed Lists of Departmental Files—Second Report (REF)	2 Jul 1998
Format of the Portfolio Budget Statements: Second Report (LEG), (Tabled 22 November 1999)	29 Oct 1999 Presented
The mechanism for providing accountability to the Senate in relation to government contracts (Murray motion) (REF)	26 Jun 2000

## **Publications of the Management Advisory Board and the Management Improvement Advisory Committee<sup>14</sup>**

Benchmarking—improving performance in the APS (1993) [HTML](#)

Beyond bean counting—effective financial management—1998 and beyond in the APS (1997) [HTML](#)

- No. 1 Improving asset management in the public sector (1991)
- No. 2 Devolution and regional offices (1991)
- No. 3 Budget flexibility—carryover provisions between financial periods (1991)
- No. 4 Resource agreements (1991)
- No. 5 Accountability in the Commonwealth public sector: an exposure draft (1991)
- No. 6 Devolution of corporate services (1992)
- No. 7 The management of underperforming officers in the APS (1992)
- No. 8 Contracting for the provision of services in Commonwealth agencies (1993)
- No. 9 Strategic planning for training and development (1993)
- No. 10 Performance management and the management cycle
- No. 11 Accountability in the Commonwealth public sector (1993)
- No. 12 Building a better public service (1993)
- No. 13 Delegated authority handbook (1994)
- No. 14 Legal issues—a guide for policy development and administration (1994)
- No. 15 Ongoing reform in the APS (1994)
- No. 16 Performance management—integrated use of recognition, rewards and sanctions (1994)
- No. 17 Guidelines for managing risk in the APS (1994)
- No. 18 Achieving cost effective personnel services (1995) [HTML](#) and ACEPS Stage 2: Re-engineering people management: from good intentions to good practice [HTML](#)
- No. 19 Ethical standards and values in the APS (1996) [HTML](#)
- No. 20 2 + 2 = 5—Innovative ways of organising people in the APS (1997)
- No. 21 Raising the benchmarking—benchmarking for better government
- No. 22 Guidelines for managing risk in the Australian Public Service
- No. 23 Before you sign the dotted line—ensuring contracts can be managed (1998) [PDF](#)

## Endnotes

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1. This chronology only discusses reforms in the Commonwealth Public Service.
2. For a discussion of machinery of government changes in the late 1980s, see John Nethercote's research paper, 'Departmental Machinery of Government Since 1987', *Research Paper no. 24*, Department of the Parliamentary Library, 1998–99.
3. See Owen E. Hughes, *Australian Politics*, 3rd edition, Macmillan, South Yarra, 1998 (Chapter 11) for a concise discussion and critique of the 'old' APS.
4. Owen E. Hughes, *Australian Politics*, 3rd edition, Macmillan, South Yarra, 1998, p. 366.
5. John Halligan and John Power, *Political Management in the 1990s*, Oxford University Press, Melbourne, 1992, p. viii.
6. A complete list of amendments to the *Public Service Act 1922* can be found at <http://scaletext.law.gov.au/html/histact/8/4049/0/HA002730.htm>
7. The strong emphasis on efficiency improvement is reflected in this characterisation of the 'new' APS.
8. The top line shows the number of APS employees at a given time. The bottom line shows the number of employees in agencies that are currently designated as part of the APS. The reason for the difference is that the APS has had a net loss of functions. Therefore the unadjusted figure shows a more dramatic decline.
9. This chronology will focus on identifying reforms rather than explaining the reasons for them. For discussions of the latter, see Owen E. Hughes, *New Public Management: A Parliamentary Perspective*.
10. See Michele de Laine, 'International Themes in Public Service Reform', *Background Paper no. 3*, Department of the Parliamentary Library, Canberra, 1997–98, for discussion of other Anglo-American democracies.
11. Fiscal austerity has been a feature of all Commonwealth governments since the Fraser Government.
12. The text of legislation is available at [www.austlii.edu.au](http://www.austlii.edu.au) and <http://scaleplus.law.gov.au/>
13. Prior to 1998 the Committee was known as the Joint Committee of Public Accounts.
14. The text of some of these reports can be accessed at [www.psmpc.gov.au](http://www.psmpc.gov.au)



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