



Submission
To the
Standing Committee on Health and Ageing

By Paula M Collins

Across all government departments (including Health) the system of governance has been outflanked by worker and community aspirations. Existing bureaucratic systems (even managerial bureaucracies) are:

- residual from a **19th Century industrial economy** in which top-down compliance to the authority of the internal auditor is punitively demanded; and
- inappropriate for a **21st Century liberal democratic knowledge economy**, in which capital assets reside in the knowledge of the workers, and people want to contribute to, and have a say over their life work and circumstances.

Unless the system of governance is aligned with worker and community aspirations, we will:

- Experience accelerating degeneration in the quality and increasing cost of service delivery and customer dissatisfaction;
- Suffer major service breakdowns as have occurred recently in Queensland with Health, Energy, Children Services and Fair Trading;
- Become increasingly uncompetitive internationally, as one third to one half of business is with government, and government itself comprises a large proportion of GDP.

Three steps are consistently evident in departmental service collapse across the board. They are:

1. **Politicisation** of upper echelons of a Department. The intention in this to preserve the incumbent is misplaced, as the outcome is loss of sight of the core purpose of the Department that would preserve incumbency – e.g. delivery of health services –. This is basic marketing and ethical efficiency.

2. **Polarisation** of the elite from the workers and consumers under highly politicized leadership. Committed (health) workers often struggle along, under-resourced, to try to provide a level service to their clients. This practice is not sustainable.
3. **Implosion** as disgruntled workers leave, productive workers are ostracised, dismissed and silenced, and the public the Department is paid to serve object with increasing vigor.

Several steps are needed to align the system of governance with worker and customer aspirations. These steps are essential to capturing innovation, competence and productivity across all levels of government, so that efficiencies and quality service may be restored and Australia can maintain a high degree of international competitiveness:

1. Change reward systems and ethical focus:

- a. Reward those who add value to the system (within legislative guidelines), rather than mere compliance with the day's interpretation of "the rules". Instead of merely accounting for the tax spend, expect that value be created out of that investment.
- b. Get over the idea that everything can be legislated for, often at the lowest common level. Life has become too complex to expect every situation to be able to be covered by rules which rapidly become out of date or irrelevant. Contemporary management practice encourages work towards a strategy that accommodates decision-making and amendment on the run, within a framework of satisfying the core service objectives.
- c. Ethics in governance need to address what conduct is unacceptable and the parameters to an official's professional duty, responsibility and accountability. Procedural fairness should incorporate respect (for the law and persons), integrity (to maintain confidence in government administration), diligence, economy and efficiency. Ethical practices

are unlikely without effective leadership and a supportive organisational context.

2. **Empower workers to create a better working environment and customer service.** People in the (health) business know what needs to be done – empower them to do it.
 - a. Focus on doing and achieving rather than endless talking about strategy
 - b. Publicise and reward initiative and action that enhances service and creates new opportunities
 - c. Penalise those who use the “Internal Auditor” merely to exercise power and control over others, or as an excuse for not exercising any intelligence.

3. **Evaluate performance from the bottom up,** not just top down as an essential ingredient of a **liberal democratic knowledge economy.** When undertaken within a structured framework, bottom up evaluation:
 - a. Establishes a process of continuous renewal, innovation and competence that increases exponentially productivity and worker and customer satisfaction. Satisfaction is gained through encouragement and ability to contribute.
 - b. Overcomes the existing tendency towards infinite regression. People at the top, who may be good only at getting to the top, attract others similar to themselves. This creates an ever increasing pool of unproductive people while depriving of resources those responsible for delivering services
 - c. Prevents polarization of the upper echelons from the workers and community.

4. **Train people in decision-making** skills appropriate to a liberal democracy. Over the last 30-40 years we have moved from an authoritarian era to a more

democratic one, without learning how to develop sound decision-making skills essential to effective democracy and leadership.

Many problems within our system of bureaucratic governance arise because people in positions of authority either make poor decisions, delay decisions or fail to make decisions at all. When responsibility for the outcome then falls upon those who do not have the power to influence the situation, that position is not sustainable.

I have developed a model for mature decision-making that enables policies, incidents, relationships and rules to be measured for sustainability. Choice, responsibility and expectation are basic components of my model that can project when fragmentation (of individual, relationship or system) is likely to occur, allowing action to be taken to avert problems or change direction.

5. **Manage expectations through life-cycle policies.** Avoid costly ad hoc, short term or sectoral interest policies by justifying policy programs in terms of life cycle and history. This is an effective way of managing expectations that pressure program cost blowouts to no particular benefit. Everyone will contribute to and receive from the system over a long life.

In summary, the foregoing outlines simple procedures for bringing Australia's governance into line with a 21st Century globalised liberal democratic knowledge economy. Details of implementation are best expressed by those in the particular (health) business.

Further articles published by the author (governance, energy, housing) appear on the Brisbane Institute website at http://www.brisinst.org.au/people/collins_paula.html.

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