

**Submission to the
Department of the Prime Minister and Cabinet
on
Building the World's Best Public Service**

By

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20th October 2009

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Chapter 1: The Australian Government Sector Today

Statistical Snapshot of the APS

Of the nominal 160,000 government employees, about 107,000 live outside the ACT leaving about 53,000 employees in the ACT. Although the pie charts are pretty, they fail to tell the relative numbers of Senior Executive Service people in the ACT!

Diversity Groups

Diversity Groups will always cry out for special employment criteria to advantage themselves, above the interests of Australia. **We cannot get the best people in the right positions and concurrently have Diversity Group Criteria** (Indigenous Australians, People with Disabilities, People from non-English speaking backgrounds etc. with employment percentage quota percentages).

Drop the pretence and get the best people into the Australian Government workforce in the roles where their talents and expertise can do the most for Australia. In many cases (particularly in the APS) people from Diversity Groups can be the right people for the job because of their inherent background expertise, for example language skills, social (family) upbringing, IT expertise etc.

Views and Attitudes of APS Employees

While this 2008 survey may have produced some peripherally satisfying data, I find this data very alarming, and if I were involved, I would have already drilled down through this data to analyse and close the performance gaps, and here is why:

As much as 18% of employees (28,800) are not motivated to do their best work. *Where are these people, and what Agencies / Departments are they in and why have their managements not moved these people into roles where they can aspire, or terminated these people's employment?*

As much as 4% (6,400) employees are not willing to put in the extra effort to do their jobs. *Where are these people, and what Agencies / Departments are they in and why have their managements not terminated these peoples employment?*

As much as 55% (88,000) employees consider their departments to be poorly managed. *This statistic demonstrates that management is either not doing PDRs with all their staff and/or not following through to grow and develop their staff to full potential.*

About 21% (33,600) employees are not proud to be in the APS. *Are these employees the same 28,800 APS employees that are not motivated to do their work (see above)?*

About 29% (46,400) employees are not proud to be in the their Department/Agency. *This is a major problem because as a manager I would very distressed with more than about one in 20 people (5%) not being happy with where they worked as their consequent low productivity will adversely affect others. Are these the same 28,800 APS employees that are not motivated to do their work (see above)?*

About 40% (64,000) employees associate with the APS and not with their Agency / Department. *This statistic is screaming out that morale is very low and therefore productivity is abysmal. Why have management not proactively acted to address and correct this problem – or is it endemic of “you can't fire me!”?*

As one of their three prime satisfaction criteria, about 14% (22,400) employees would like to but do not have good working relationships with their associated staff and/or management. *If management had done their PDRs with their staff and followed through, then this problem would be almost zero.*

As one of their three prime satisfaction criteria, about 14% (22,400) employees would like to have but do not have flexible working arrangements. *Why have management not removed and replaced these inefficient and self-centred people with people that are self-motivated and focussed on working for Australia?*

As one of their three prime satisfaction criteria, about 40% (64,000) employees would like to but do not get paid enough for their services. *Everybody thinks they are worth more and a 40% level tells us the complaint level is about right. What activities have these people done to improve the productivity of their workplace processes?*

The questions asked here about the rather vague APS statistics all seem to be related to problems in management at all levels. As I have been a Supervisor and Manager at a range of levels over more than 35 years in many areas including the PMG, Telecom Australia, Telstra, Nortel Networks, Silcar Communications, as a Consultant and as an ongoing actively-retired person; the questions that I have posed here all point to the inability of APS supervisors and management having the direction and authority to do their work effectively.

I would be very surprised if any of the Agencies have all of their supervisors and management carrying out regular Performance Development Reviews (PDRs) on a 6-monthly basis to focus their staff and find out where they excel, where they are wanting, and what appropriate training can be provided to grow their staff, and/or move their staff into positions that make those staff more productive. If this were the case, then the figures would be much more like:

Criterion	Now	With 1 PDR
Unmotivated staff	18%	9%
Unwilling staff	4%	2%
Poor Management	55%	28%
Not Proud of APS	21%	11%
Not Proud of Agency	29%	15%
Poor working relationships	14%	7%
Inflexible working arrangements	14%	7%
Inequitable pay	40%	20%

Table 1: Consolidated APS Statistical Overview (with PDRs done properly one time)

The obvious problem is that APS management are hobbled in their ability to manage and have to work with the staff that they have, so in essence all these Agencies are 'Striving for Mediocrity' and that is clearly not the intent – but this has been brought about through generations of seeking economic efficiency (where the meaning of economic efficiency in this sense is all about low unemployment, not high productivity).

The consequence is that management in the APS management literally cannot terminate unsuitable staff, so the staff in return have an expectation that they cannot be fired / terminated for incompetence or laziness or unsuitable for the role etc, and that the world owes them; when in fact the situation should be around the other way where APS employees must see that the reward for excellence is continued employment – and nothing more.

If management were given the authority to terminate unsuitable employees, then this would very quickly change the focus of APS employees (including the management) to strive for excellence at every opportunity, and this would cause a dramatic change in staff opinions as follows:

Criterion	With 1 PDR	Focussed
Unmotivated staff	9%	0%
Unwilling staff	2%	0%
Poor Management	28%	5%
Not Proud of APS	11%	0%
Not Proud of Agency	15%	0%
Poor working relationships	7%	2%
Inflexible working arrangements	7%	1%
Inequitable pay	20%	10%

Table 2: Consolidated APS Statistical Overview (with employee termination authority).

The APS is in effect Australia's business governance 'army' and this army needs consistency of purpose (as described by W Edwards Deming in his teachings on Total Quality Management (TQM) [2]), and from my perspective the teachings of Sun Zi in his "The Art Of War" [3] is an excellent point to start with as it would immediately align the APS employees at all levels to focus on excellence and high productivity; and that is essential for Australia's future survival in this global Government Business Enterprise (GBE) market.

Questions

1. Do you think Chapter 1 accurately captures the role of the Australian Public Service?

Chapter 1 deliberately avoids detail in almost every area possible and paints a rosy picture instead of giving the facts. Pie Charts do well in filling a page and this data could have been far more succinctly provided in a Worksheet in the Appendix with a breakdown of the Departments / Agencies, their numbers, SES numbers etc and relating to the Views and Attitudes of APS Employees.

The commentary (above these questions) provides plenty of ammunition to address the issues.

2. What are the implications of the statistical snapshot, and of employee views and attitudes in Chapter 1 for the future of the APS?

According to the Discussion paper the Australian Government Sector takes up about 1.5% of the total Australian workforce employment. This figure would be considerably higher if Consultants, Contractors and Sub-Contractors, and their managements were included, and this situation really begs the question as to why are Consultants, Contractors and Sub-Contractors not included; and why are these extra people operating under different (non-Government) workplace conditions?

The pages of notes leading to these questions go a long way to provide answers based on the Statistical Snapshot of the APS. It is very clear to me that national productivity could be greatly improved if the APS management were taught the basics of how to utilise PDRs and follow through. It is also imperative that APS management have the authority to terminate the employment of APS employees that meet all the required performance standards. Refer to Chapter 8, "The Departure Lounge" as a solution to this problem.

Chapter 2: Challenges in the Strategic Environment

Increasing Complexity of Policy Challenges

Whenever I hear of increasing complexity of political solutions, I know that the strategic policy is wrong and this is because *the wrong strategic frame of reference is being used*. With the right strategic frame of reference, the problem will literally solve itself, and the need for heavy-handed regulation will be almost eliminated. So, if the policies are becoming complex, then this is a very clear sign that *the wrong strategic frame of reference is being used*, so **keep changing the Frame of Reference until the complexities disappear!**

Here is a set of inter-related examples involving changing the frame of reference:

Illicit Drugs

Australia has legal drugs in Alcohol and Tobacco that have weighed heavily on our health and social support systems. Australia has plenty of illicit drugs where the maim and/or kill rate is high, primarily because the Quality (variation very wide) is extremely poor making illicit drugs extremely dangerous. Various Police & Customs work in large numbers and a lot of overtime to minimise the supply – but we all know this is an ongoing changing battle.

If we used an entirely different frame of reference and totally decriminalised most of the illicit drugs, then the Quality of these drugs would be rapidly improved making them much safer, we would then not have nearly the number of callouts for emergency life-saving and this would bring in a massive saving for our health / hospital systems. We already have the ideal climate to grow Hemp and it is an ideal ground cover to pull back the carbon footprint and major industries will really benefit from selling rope and cloth made from Hemp. We already grow Opium and this could be extensively fostered to challenge Afghanistan and put the drugs trade there out of business (stopping that war – apart from the USA Oil access). Because our education system is so good, we are in a very good position to keep most almost all of our general population off the remainder of very dangerous illicit drugs.

Water Reform

We are regulated to continue using European farming methods to grow our crops and graze our livestock in a country that is short on available water and good topsoil. Our regulators enforce the use of herbicides to kill off 'noxious weeds' that actually cover the ground and prevent water loss, and we allow the growing of extremely water hungry crops such as Cotton when we could be growing Hemp and growing Mulga forests instead of Pine forests. We allow clear-felling instead of strip-farming, and our accounting methods hide the fact that before about 1870 most of NSW and Vic (west to the South Australian border) was all forest. We have polluted all our rivers with livestock, removed the trees that shaded the rivers. We have drawn all the bore water possible from the Murray/Darling basin (used a large amount for coal powered electricity generation) and wonder why the water has run out!

With a totally different frame of reference we could cease enforcing European farming and grazing methods have killed the Australian topsoil over several decades. Radically change the land care practices from the agencies down, and promote natural species of trees (like Mulga Eucalypts and Willows) to shade the ground and produce top-soil through their leaves. As trees are endothermic (they absorb heat as they grow), they also act to cool the landscape, which in turn causes rain to fall – and this solves both a Carbon footprint problem and the warming climate problem. The Algae that is produced by having too many nitrates in farm runoffs, and town and city sewerage could be directly processed into hydrocarbons to replace the fast dwindling world oil supply – instead of polluting the last remaining rivers.

Climate Change

The term 'Climate Change' is really a euphemism for 'World Running out of Oil', and I believe that within 15 to 30 years the world as we know it will be desperately short of oil. We already know that the Iraqi Wars were all about the USA getting control of Iraqis Oil; the Afghanistan War is all about a safe oil line access. The swords are being rattled about Iran as one of the last big oil producers that does not openly trade with the USA. Factual detail about this is in [4] "Why Your World Is About to Get A Whole Lot Smaller". China is stitching up massive oil contracts with the last remaining suppliers, (Ghana and Nigeria), so the political climate is going to change – and soon.

Iron production and Electricity generation both use coal – and Australia has enormous amounts of very high quality coal for sale on the international market – and most of this coal goes to China. In Australia, most of the electricity generation is by coal.

When coal and or oil are burnt they produce a large amount of Carbon Dioxide (CO₂), which 'seals' the world in the upper atmosphere and causes the world to heat up. Since the Industrial revolution and the generous use of the Internal Combustion Engine (ICE) in the developed world, the amount of CO₂ in the atmosphere has dramatically increased and the climate is fast changing – particularly in the northern hemisphere.

*With a **totally different frame of reference**, we can look at the hollow political speeches in the knowledge that oil prices will again rise well over the \$100/Barrel well inside the next 10 years – so people will stop using ICE cars, and the CO₂ generated from oil will substantially drop (without the politicians doing anything)! People will take to walking and riding bicycles again and the population as a whole will get a lot fitter, meaning that the health and medical costs will dramatically drop. Trains will again become a preferred method of transport and cars will drop the ICE and be powered as electrical vehicles (EV) instead.*

*Algae in sunlight has by far the greatest capacity to absorb CO₂ and Australia would require many algae farms to be at least 100 km * 100 km in size to absorb the CO₂ emissions from our existing power stations; so **'Clean Coal' is another snake-oil merchants' myth** and finance to Clean Coal technology must immediately stop. Coal needs to be transmuted into oil and plastics and funding needs to go into Uranium powered electrical generation.*

With electrical power generation, it has to be realised that electricity generation requires a solid base load of at least 60% and the remaining 40% can be Wind, Tidal, Solar or Thermal (none of which cannot be used as a base load power source). With emerging CO₂ emission targets being significantly lower than what Australia currently produces (and the vast majority of this CO₂ comes from coal-fired electrical generation plants, this realisation means that in the immediate future coal-fired electrical generation plants will have to be replaced by about ten 20 Giga-watt Uranium (U₂₃₈) powered electrical generation plants, incorporating water desalination to feed (not drain) Australia's rivers.

With the CO₂ problem resolved by coal being removed from electrical power generation and put into oil/plastics creation, Australia needs to capitalise and embrace the world's Uranium production and storage infrastructure. After about three months of U₂₃₈ being used in any power station this largely transmutes into Pu₂₃₉, which is "weapons grade Uranium", and after another three to four years about 20% of these rods transmute into Pu₂₄₀, which is very good for power generation. As Australia is fast becoming the prime provider of U₂₃₈ in the world, Australia should also be the prime watchdog for Uranium use, and all long term storage of spent rods should be repositied back into Australia and another major money-spinner for Australia's future – because we have the stable land mass and low population.

The CO2 produced in the creation of iron from ore involves the chemical reduction of the ore to iron and that inherently produces CO2 and wherever that is done then massive amounts of CO2 will be produced. Trading Carbon Offsets does not fix the problem; it simply transfers the CO2 blame to some other country, and that is multi-national theft / fraud.

Increasing Public Expectations

As people are becoming more computer literate, they are able to find information on the Internet by themselves, and this relieves a fair percentage of APS employees from direct communications with the general public and businesses. In a direct time relation, the general public and businesses that find information via the Internet have changed their mental response time to be much shorter than those that communicate by postal mail and via the phone for a mailed answer.

As the Australian public is fast changing into an Internet based community for business data and information, it is very timely that the APS seriously look at their work practices and change these practices to radically improve their productivity – given that the APS employees in general already have high capacity Internet at most locations.

In this example to demonstrate the point: *I recently put in a 'please explain' submission via email to the Department of Innovation, Industry, Science & Research concerning the grant of nominally \$145 M to GM Holden, out of the Green Car Innovation Fund (GCIF) **\$1.3 Bn over 10 years** so that GM Holden could develop yet another four cylinder Internal Combustion Engine (ICE) vehicle in Australia. GM Holden has not phased out ICE technology and phased in Electrical Vehicle (EV) technology through their parent company in the USA. This grant obliterated the available 2009/10 funding for all other GCIF aspirants.*

The response came back in a few weeks via email with an attached scanned PDF letter, and a few days later the same scanned posted letter arrived (including the footer saying their Department is saving the environment by using recycled paper). This Department (and all other agencies) should have realised that posting a follow-up physical letter is entirely superfluous as I already have the scanned PDF letter attached in the email.

This Department could have radically increased its productivity by firstly producing the response as a PDF without scanning it and merely attaching that to the email. No need for a printed letter to be physically signed as the electronic PDF will include the electronic signature, no need to file and store the physical copy of the letter, no need for a postal mailed letter to be sent, and no need for the associated staff to do these unnecessary activities.

Simple changes to seriously aged Departmental processes like as described (above) here would easily cut 5% off the total APS overhead.

Radically brilliant changes to improve the public expectations do not come from a group of recently educated university graduates working for any external consultancy business. The best changes to processes come from within where the APS employees themselves identify and instigate process improvements through Total Quality Management (TQM) and improvement techniques, which are consistently used to invoke continual improvement and occasional re-engineering of all processes. This practice would give the APS employees ownership of their work and that would instil excellent ethics and very high productivity.

These TQM practices involve everybody at all levels and the productivity gained through using these techniques cannot be paralleled by any other management method. If TQM were already implemented then the APS employees would have already implemented several

hundred (thousand) improvements to the general processes and there would be absolutely no issue or concern about increased public demands.

As far as I am aware, policy changes come primarily through lobbyists who negotiate on behalf of businesses and interest groups to various ministers, that in turn relay these policy differences back through their department heads (and others) to see if changes to existing policies can be made to accommodate the interest groups. This process is an unnecessarily complex process that could be radically simplified if the agencies had long-term Subject Matter Experts (SMEs) working within these agencies.

If the SMEs were the First Point Of Contact (FPOC), then the SMEs would talk directly with industry lobbyists for the interest group and the complexity of the policy could be clarified well before bureaucrats would get involved. With the lobbyists at least an arm's length from the ministers, this would free up the bureaucrats to better manage ministerials, and the bureaucrats would also have the SMEs on at first-hand and therefore get virtually instant expert answers without resorting to external consultants and other unnecessary complexities.

Demographic Change

Follow-on from the Industrial Revolution is the fact that many physical jobs have been replaced with mechanical aids, and with digital technology development through the more recent Information Age a large number of 'desk-based' jobs have replaced a high proportion of what were physical jobs. A high proportion of career-oriented females have joined the 'desk-based' workforce and because the relative pay is far more equitable than it was some decades ago many of these women put career before family, and this is why we have the current demographic change.

It is therefore obvious that growing a family is placed well below that of having a highly paid career, and the biggest costs in a family (past the education and bringing up of the children) is that of the family home and vehicles. Family homes (premises) in capital cities are overpriced, while family homes (premises) in regional, and rural locations are underpriced and the cause of this problem is work location for most 'desk-based' jobs is in capital city centres.

Within the next 10 years Australia will be fibre-wired for high speed Broadband to the premises, and during this time, businesses will find that much of their work can be done over the Internet (and petrol will become very expensive) [4]. The consequence is that many city office-based jobs will have to become home-office based, and the location will become inconsequential, so families (and businesses) will naturally move out of the big cities to where the overheads of homes / premises are much less, and in this arrangement families will have more children, and the population offset will swing back towards a more balanced distribution by about 2020, and be balanced by about 2030.

Health and Aged Care will change its nature in that every premises will have Internet, and dynamic Global Information Systems (GIS) technology will greatly assist in providing a new range of interactive services including location and management of the elderly.

Globalisation

The term Globalisation came with cheap oil [4], which in turn produced cheap transport. This situation meant that the country with the most slack: OH&S laws and / or company tax laws / and/or the country that allows its competitive businesses to pay their employees contractors and sub-contractors usury award payments will be granted work by the multi-nationals.

Over the next 15 to 30 years the world's oil supply will run out [4], and with the lack of cheap oil, cheap transport will be come a thing of the past, and local manufacture will again flourish.

Technological Change

In the past half century there have been a number of technological developments that together have totally changed the way that most office based work is carried out. Here is a brief synopsis of some of the most influential technology developments in that time:

Date	Technology	Reference
1960	Multi-user Computing	http://en.wikipedia.org/wiki/Multics
1968	Graphics User Interface (GUI)	http://en.wikipedia.org/wiki/History_of_the_graphical_user_interface#Xerox_PARC
1969	APRANET Switching	http://en.wikipedia.org/wiki/ARPANET
1970	Structured Query Language (SQL)	http://stanford.edu/dept/itss/docs/oracle/10g/server.101/b10759/intro001.htm
1971	Microprocessors	http://www.intel.com/museum/archives/4004.htm
1971	Email Protocol	http://en.wikipedia.org/wiki/ARPANET
1973	File Transfer Protocol (FTP)	http://en.wikipedia.org/wiki/ARPANET
1974	Personal Computers (PC)	http://inventors.about.com/library/blcoindex.htm
1980	Disk Operating System (DOS)	http://www.computerhope.com/history/dos.htm
1981	IBM Personal Computer	http://www-03.ibm.com/ibm/history/exhibits/pc/pc_1.html
1983	Internet Protocol (IP) Network Infrastructure	http://www.w3.org/People/Berners-Lee/FAQ.html#Examples
1985	Single Mode Optical Fibre (SMOF)	http://www.sff.net/people/Jeff.Hecht/history.html
1990	Websites	http://www.w3.org/People/Berners-Lee/FAQ.html#Examples
1992	LINUX Operating System	http://www.cs.cmu.edu/~awb/linux.history.html
1992	Website Search Engines	http://www.w3.org/People/Berners-Lee/FAQ.html#Examples
1993	Windows NT Operating System	http://en.wikipedia.org/wiki/Windows_NT

Table 3: Some Significant IT Developments 1960 - 1993

The list in Table 3 is by no means extensive, but it does show that by 1995 there was a massive technological change that was taking place and by 2005 this information revolution was already complete with almost 100% of all office-based staff being computer literate, and with about 50% of all office staff showing a high degree of advanced competency with computing systems and office applications. This advanced competency level needs to rise to at least 85% as PC and associated technologies with Internet are the tools of today's offices.

From my industry experience of over 40 years in the government and corporate workforce I know that older staff members are generally are not as computer literate as younger staff, and most younger staff usually have only a rudimentary knowledge of their computing systems and office applications. This is situation is usually worse in (older) executive management levels where these people spend more time in meetings and some still have 'secretaries' to manage their computer-based communications. Almost all risk-adverse (executive) decision-makers call on outside 'consultants', so that these executives cannot be 'pinned for bad decisions'. These ongoing office technology ISO9001/2 Quality Accredited (but practically inept) situations add the reasoning to have long-term teams of relevant SMEs in all agencies!

Again, if the APS really wishes to get over the not so recent changes in office technology, and really use these technologies to their advantage, then the sooner that the APS embraces TQM then the sooner they will have meaningful results at all levels of employment.

Financial Pressures

The APS has some of the best computing systems in Australia, yet I am of the opinion that the potential of these tools are not being used to anything like their potential because the various agencies are working separately to one another and this is unacceptable.

The Need for Systemic Reform

The APS needs to be restructured such that it becomes an homogenous grid of Federal, State and Local Government Agencies that vertically they operate as one (with or without the State level), and horizontally share their databases so that duplicated records and similar tables are minimised. One initiative for a massive productivity improvement is as follows:

The DADHC has an excellent unique client identification encoding system [5] that has a nil duplication of clients over all Australia. It would make a lot of sense if the Customs, Federal Police, State Police and all Health agencies (Hospitals, Doctors, Dentists, etc), Department of Social Security (DSS), Centrelink etc used the same encoding for all their clients as this would without ID duplication track all clients records across several databases. Depending on the requirement of various Agencies at various levels; for example complete medical records could be provided at any Hospital or Doctors Surgery, saving wrong diagnosis, wrong prescriptions, and providing the critical information in case of an emergency.

The simple step of using this unique client ID encoding system would close the doors on an immense amount of Social Security fraud. If between say 5% and 15% is fraudulently taken and if the notional Social Security bucket is about say \$20 Bn per year, then this amounts to about \$400 M to \$1.2 Bn being lost to Social Service fraud per year. Considering the overhead for a typical APS employee is nominally \$0.12 M per year then this would cover the cost of between 3,333 and 10,000 APS employees every year.

In the past 10 years there has been a tremendous growth in available data, including location data that includes geographic map positioning and this is called Geographic Information Systems (GIS). The advantage of GIS data is that in synergy with electronic mapping, this enhanced data when analysed provides a level of information about the population, housing and infrastructure that removes a huge amount of guesswork and removes the need for consultants in almost all cases.

Questions

3. What are the most important challenges facing the public sector over the next ten years?

To me the Discussion Paper reads like a litany of imperatives where the APS should already have immense expertise. We know that in general the APS employees are far from illiterate, and they have enormous potential to self-manage their destiny without the need for external consultants to insult them by telling them what they already know.

The only reason that the APS is considered to be facing more complex issues is that the ministers (who are the figure-heads of these permanent departments and agencies) are looking for answers that please all the people all the time and that is the problem. The ministers need to listen to their departmental heads and heed their advice – no matter how unpalatable it is and champion the directions provided by these apolitical departmental heads.

In many cases of business (which is directly parallel to war), unpalatable decisions have to be made and portions of the general public (for example some executive directors of an influential business) will not like the decisions. These influential people have to realise that they (and their businesses) are not “more important” than anybody else and that these generally unpalatable decisions are made for Australia and not just for them.

Since the 1930s depression and WWII, the Australian population has changed its mentality and during the 1970s and 1980s it changed from being “All for King and Country (England)” into be “All for Australia”. Concurrently management’s mentality made several changes as it generally moved away from military dictatorships into more democratic control; the ‘austerity’ button was pressed less often, and business accountability meant that people who were performing menial tasks to be kept employed, were terminated from their employment.

During the late 1980s and 1990s, the introduction of personal computing brought with it radical changes to office procedures and most of the older management styles were disposed of and because analysed data (information) became far more available through the Internet via Web sites, businesses were far less ‘insular’ than before. APS employees were however, insular in that each agency was a GBE into itself, and to a large degree, I believe that this insular mentality has not changed in even the last decade.

The management in the APS has to realise that the APS is effectively all one body that needs to work cohesively, so that means that its extensive computing systems need to be ‘geared’ so that they all work from a common data dictionary, and that what is meant in one agency means the same thing in every other agency (Federal / State / Local). This is where I believe that the APS employees are finding that their work is more complex.

In reality, the data dictionary knowledge problem is not nearly as complex as first considered, because most people that aspire to work in the APS do so as a career, and therefore they should be able to move between the various agencies as necessary and continue to be highly effective. This long-term employment philosophy is culturally juxtaposed to most people that work in competitive business where the tenure in any one business is usually less than three years in any one company – especially for consultants.

The APS probably has the biggest and best computing system in Australia, and I believe that it is operating far from its potential because I believe that the computing system is highly insular on agency lines.

4. What are the key implications for how the public sector will need to operate?

As stated before in this submission there have been massive technological changes in the 1980s and 1990s that are now quite mature (see Table 3), and it is up to the management of the APS to realise its internal potential and fully utilise what they have.

In the area of systemic reform, as stated before: the APS needs to be restructured such that it becomes an homogenous grid of Federal, State and Local Government Agencies that vertically they operate as one (with or without the State level), and horizontally share their databases so that duplicated records and similar tables are rationalised or eliminated.

The key implication is that even before these structural changes are initiated, all levels of the APS employees have to learn and adopt the basics of Total Quality Management (TQM) and through learning these intellectual talents the APS will embrace a series of productivity

improvements, which will lead to a series of systemic computing reform. This process will by itself will provide incredible productivity improvements that should totally wipe out the need for external consultants, and that too will be another huge productivity improvement!

Once the APS becomes homogenous, it can operate its own computing systems IT management agency from within, without the need for outside competitive businesses to be involved. The monetary savings will be enormous because with TQMI processes the IT platform will become very stabilised and the mainframes will then hold integrated datasets so that searching / retrieval processes across agencies far more simple and far less time consuming.

Chapter 3: An Aspiration for Australia's Public Service

What are the characteristics of a highly performing public service?

1. Re-invigoration of the Westminster tradition of an independent public service with merit-based selection and continuity of employment between governments

I believe that the Prime Ministers expectations are rather far-fetched because of the limitations of the Westminster system where politicians are the political heads of departments, yet the management ranks within agencies are not authorised to hire and terminate staff as necessary to ensure that their departments always have the best people in the right positions and for transient projects.

This Westminster situation inevitably causes the bringing in of outside consultants as experts for subjects where the departmental staff themselves should be the national experts. This in turn, totally disenchant internal staff from aspiring to perform to the best of their abilities. Departments need to full-time long-term employ national experts; just as competitive business would employ directors for their industry expertise. With national experts available full time, in a highly cooperative agency environment, then the expert knowledge is naturally spread and the departments will get the biggest return on investment (ROI) for their workplace.

As an example: Some decades ago Telecom Australia changed the promotion arrangement from the most senior (longest serving) person to the most efficient person (person best suited). This change had a dramatic change in staff attitude, as there was a sizable proportion of the workforce that were literally waiting for somebody to die or resign before they could assume a seniority-based promotion and receive higher pay. With this change in promotion strategy, people who had poor supervision and/or management skills were quickly overlooked and replaced by people that took their workplace seriously, and the productivity figures never looked back (except for union interference – described below).

At about this same time, the various trade unions had an interfering grip on management. The normal practice was to have three people interviewing for a job role, inevitably this three-person panel usually consisted of a union representative, a management representative and a secretarial or clerical person; and the voting was either unanimous or 2:1.

Even “Blind Freddy” could see that on many occasions, union representatives had made deals with the clerical staff to ensure that their union members got favourable acceptance over clearly superior candidates who were not union members, and it took some years to weed out these undesirable people and get productivity back on line.

2. A professionalised public service committed to excellence.

The cross-sectional coverage as provided in Chapter 1 was a classical government type paper that gave the impression that a cross section was provided, but it was typically very short of meaningful detail and yet showed that management does not actively use Performance Development Reviews (PDRs) to optimise the performance of their staff and that management is hobbled in that it does not have the authority to remove staff that do not perform up to high expectations.

As stated before in Chapter 1: **“We cannot get the best people in the right positions and concurrently have institutionalised Diversity Group employment Criteria.** The simple answer to this endemic problem is to *drop the pretence and get the best people into the*

Australian Government workforce in the roles where their talents and expertise can do the most for Australia.” What is not obvious by this statement is that the best people are highly literate in TQM / TQMI and embrace the 14 rules in their everyday activities.

3. Evidence-based policy making processes as part of a robust culture of policy contestability.

Unfortunately, bureaucrats are naturally extremely risk-averse, and consequently they do not move on anything until it is usually too late, and even then, they are still ‘gathering evidence’.

The solution for this ‘paralysis by analysis’ which is all too common wherever bureaucrats operate, is that the various agencies need a cross-section of national SMEs to be full-time employed to work cooperatively with the bureaucrats, then evidence-based policy making is a straightforward standard procedure, and the number of “less than useful” select committee reports and (so-called) expert committee reports will drop to a very low figure.

“Less than Useful” reports are easily identified because these reports merely contain an evidence-based facts listing of the problems, and the conclusion does not provide policy solutions (for fear that the suggested policies might be contested).

4. Enhanced strategic policy capability

This area is all about ‘lateral thinking’ or ‘thinking outside the cube’ or ‘using a very different frame of reference’! Unfortunately bureaucrats are naturally very risk-averse, so lateral thinking is not one of their strong points. Lateral thinking is a natural strong point with Professional Engineers because almost all their work involves problem solving through abstract objects.

It would be interesting to find out the percentage of qualified and practicing Professional Engineers that are in the APS that are involved with developing strategic policy. If this figure were less than 20% then this would explain why there is a serious lack of lateral thinking capability in the APS policy development in general.

It would also be interesting to find out the percentage of staff that embrace TQM /TQMI and have the ability to use these management talents in their everyday work activities. If this figure were less than 95% then this would explain why there is an incapability for the associated APS groups to develop enhanced strategic policies in the first case.

5. Strengthened integrity and accountability.

Having a strengthened integrity and accountability would be a bureaucrats’ perfect dream because these two factors take out the risk factor – and bureaucrats detest risk!

Unfortunately we in Australia already have a strengthened integrity and accountability system and it is called ISO9001/2 and it has proven to be a red-tape disaster. The problem started when TQMI was introduced into Australia in the mid 1980s, and *detail of this disaster is included in the Appendix*. TQMI involves full participation and cooperation from all levels of business from the cleaner through to the CEO and the directors, where information has to be passed down and up the chain of command, and management have to take pro-active responsibility for changes in every process with the aim to continually improve productivity.

Executive management were offended in receiving unfiltered news – especially from the lower levels of staff, because the executives then could not deny knowledge of poor business practices which they themselves had pushed through in the rush to maximise profits – which in turn provided handsome bonuses for themselves.

As TQMI takes at least 12 to 18 months to start to become effective and two to three years to really kick in, many senior executives found themselves trapped in an OH&S position where they were responsible for shoddy work practices that resulted in injuries and deaths on the job, and these executives needed an escape from litigation, fines and gaol.

The senior executives' saviour came from the ISO9001/2 Quality Accreditation Certification process, which grew as an offshoot of the TQM doctrine where standard operating procedures (SOPs) were locked in my executive management, and everybody that works in that area has to be certified to be responsible for their actions. Senior executives now had a firm hold on changes in the workplace and responsibility had been firmly deflected from these executives.

By about 2000 the immense red tape that is the ISO9001/2 accreditation system was quickly put in place to prevent all executives from litigation, and then OH&S became another millstone of red tape, along with competent staff being 're-trained' to be Accredited before they can continue to do various parts of their standard profession.

At this stage the TQM processes stopped in its tracks and employees were no longer able to introduce safer and/or more efficient methods and practices or processes. These same staff had to now to fill out and sign off extensive forms under ISO9001/2 called Quality Assurance Checklists and this was the start of the red tape that has stifled initiative, innovation, business productivity and profitability.

If the APS is to adopt ISO9001/2, to have strengthened integrity and accountability, then the APS must concurrently have an active TQM philosophy operating across its entire workforce, and at all levels, or the red tape that is ISO9001/2 will heavily impinge on existing productivity, and the APS will lose its best employees at all levels.

Here is a classical example of how the ISO9001/2 Quality Process seriously fails: *In 2006/7 I was employed by Silcar Communications as a Project Supervisor over several contracted Telstra infrastructure projects. Part of my role included the coordinating of approved engineered designs with our equipment purchasers, scheduling the delivery of all purchased equipment to specific locations with suitable staff to install, commission and user accept; and ensure that all structural changes and equipment data were included into the very comprehensive "Asbuilt" engineering designs, and that the ISO9001/2 Quality Assurance Checklists were filled in and signed off.*

Even though most of the engineering designs were done by Silcar Communications designers and approved by Telstra under ISO9001/2, these very comprehensive engineering documents did not have equipment labels loaded in and attached as sub documents, and there was considerable variation in the structure of these engineering documents. Productivity of Field staff was seriously compromised as these people spent considerable time in the office producing hundreds of equipment labels. As I have considerable expertise in Word, Excel etc, I created a special set of Excel Worksheets that literally halved the equipment label production time, but even that was time-expensive rework as all this data had to be individually translated out from the original equipment design documents.

*When this low productivity issue was raised with the Project Manager, he was not interested in how the work was done; but that the work was done on time, and that the ISO9001/2 Quality Assurance Checking documents were filled in and signed off; as this was a criteria for payment. It was clear to me that he had never embraced the TQM philosophy, he was highly regarded by senior management, and I was working much longer hours to check and edit extensive documentation that **should never have needed checking if TQM had been embraced; but the work was however ISO9001/2 Quality Assured!** Because I could see several process improvements that would never be taken on board and almost eliminate the office-based field work, eliminate the double-checking and editing processes that were costing me several hours per day, and introduce simple changes to minimise variations in the comprehensive design documents; I opted to leave Silcar Communications on good terms.*

This classical example shows that ISO9001/2 Accreditation looks very good as it clearly sets the terms of the contracts in cement and makes the contracting workers totally responsible for the work they are contracted to do, and management from both sides can rest assured by the certainty of the ISO9001/2 Accreditation. The problem is that flexibility to improve the work processes is also stifled with equal certainty of the ISO9001/2 Accreditation.

This inflexibility has many secondary flow-on issues that comply with the Theory of the Second Best [6]. In this case ISO9001/2 unwittingly stifles both sides of business and fails to keep the best people on their books (and that probably explains why the turnover of staff in so many competitive ISO9001/2 businesses is so high); why so many people 'burn-out' through the frustration of over-work; and why so many businesses find that they can't compete internationally – because they have the wrong Quality system (ISO9001/2) driving their business, where they should have embraced Total Quality Management and Improvement (TQMI), and have ISO9001/2 operating in the background!

6. Broadened participation in government [policies] through inclusive policy processes.

The Department of the Prime Minister includes the Senate Select Committees and this process is a very good way for the public to let their opinions be heard and debated, and from this several changes to policy do happen.

Unfortunately, almost all interest groups that provide submissions do so as self-interest and not for the interest of Australia. As an example: *The recent NBN2 Select Senate Committee Inquiry has more than 100 submissions and almost all of those submissions are from businesses that are saying to give them the money to build /operate the NBN; and very few submissions provided any leads as to how and where the NBN could be built so as to effect the biggest ROI for Australia.*

With this insight about the high self-interest contents of most Senate Inquiry submissions, it would make sense to have various agencies and departments to call for submissions from the public and to have the agencies SMEs on the interviewing panels so that the submitters can then answer further questions directly to the SMEs. This proactive approach would critically short-circuit long information paths and give the agencies a first-hand lead for setting useful policies while eliminating the lobbying trade-offs that inevitably lead to complex and poor policy decisions that cost Australia too much.

7. A contemporary view of service delivery emphasising both effectiveness and efficiency.

In this case, the term “efficiency” relates to physics, so efficiency is in effect the useful output divided by the total input, and relating physical efficiency to productivity, this means that the service delivery is to be provided with a minimum of waste.

In terms of effectiveness, service delivery is to be provided such that it has a maximum impact on the people and business that the service delivery is intended for.

Point 7 is barely a contemporary view – it is really business focussed meaning that the ROI for the Service Delivery must be high, and it must be measurable, and that criteria very comfortably fits into the mantra of TQM.

It therefore stands to reason that if the APS does not have TQM in place and is continually improving the service delivery standards, then it is imperative that the APS makes the jump and moves into TQM at the earliest opportunity.

The lead that the APS makes into TQMI will be the standard that all businesses in Australia will have to rise to. In taking up TQMI, these businesses will then put the red tape ISO9001/2 procedures into their background to prevent Australian productivity being killed off.

Questions

5. What do you think is an appropriate aspiration for the Australian Public Service?

As per the Discussion Paper

6. Do the five key characteristics outlined in Chapter 3 adequately encapsulate what you would expect from a high performing public service?

No! The best people for the work functioning in a totally 100% cooperative approach is the First Best strategic solution, and anything less than this is a Second Best situation. With this First Best strategy (as described by Lipsey and Livingstone “The Theory of the Second Best” [6]), the high performance framework as described in the points 1-5 on page 11 of the Discussion Paper become irrelevant verbiage, waffle and/or filibuster.

From the Discussion Paper, taking the UKs’ National Audit Office defined characteristics:

- If any public service were truly collaborative, then it would be proactive and anticipate well in advance.
- As for transparency – these would be no ‘secrets’ to hide, and every activity would be have accountability built in.
- The UK term of equity is a UK problem because they are still stifled with ‘classes’ and in Australia we are basically ‘classless’ as we do not have an aristocracy or a royal family heritage that we pay homage to.
- People that have never worked for a considerable time in any public service simply do not comprehend that the priority of public service ethos is to do everything correctly and profit is very far from the public service mentality. Profit is usually the forefront of most private sector ethos (and that is usually its own undoing)!

Chapter 4: A values driven culture that retains public trust

What is Required for High Performance?

Unfortunately, Performance Management is a very flawed concept, because it focuses on the profit and not on improving the processes. If the processes follow the TQM doctrine, then these processes will always be available to be improved, and the people who use these processes in their normal work will continually act to improve these processes in collaboration with their management at all levels, which will naturally increase the profits.

If the employees, be they management or otherwise, who will not actively peruse collaborative process improvement, then these people need to be removed from the APS as soon as possible and be replaced by others that will actively follow the collaborative TQM doctrine, and high performance will naturally follow.

Discussion of Current Performance

If the APS is said to rank very highly, and there is a concern that the policy capability of the APS requires strengthening, then there is a problem with the measurement for ranking, or other countries' parliament support businesses have major problems when it comes to formulating policies – and I am sure that is not the case, so I am very doubtful of the ranking accountability process.

The dot points in the discussion paper indicate that there is a wide variance in the processes between various agencies and the way they communicate with their figurehead ministers, and this a another major cause for concern, because all agencies should be totally across their work and the information should be freely flowing from the agencies to the minister – not the other way around.

7. Should the APS Values be streamlined? What values do you consider should be included in a revised set of APS values?

The current APS Values from Section 10 in the Public Service Act 1999 read more like aspirational than practical. Values must be practical, not aspirational.

We know that APS employees virtually cannot be fired so item B is impractical unless the authority to terminate employment is invoked, and this authority is empowered from sectional managers upwards as these are the people that should be regularly carrying out PDRs on a 6-monthly basis, and following through.

In reference to Figure 4.1: We know that we cannot get the best people into the right positions if we have to pander to non-discriminatory compliance for representational employment of Diversity Group to fit statistical measures, so this makes item C totally impractical.

We know that 'being sensitive to the diversity of the Australian public'; as per item G is totally impractical, because no matter what is said, someone will always take offence. The stupidity of item G is that as a manager, your staff cannot be your best friends, as you have to make many rather unpalatable decisions and being 'sensitive' to the situation usually leads to very poor decision making.

We know that leadership as per item H cannot be of the highest 'quality' (meaning 'standard' in this case), if the leaders don't do PDRs and do not have the open-ended authority to terminate the employment of staff that don't suit the necessary standards required in the APS.

We know that item J is wasted verbiage because a 'fair' workplace is one that treats the entire workforce equally, and this simply does not and cannot happen because of widely varying personalities, work traits and positional status in any workforce. Further, 'flexible' is a two edged sword where employers expect the staff to work extra hours with almost no notice, yet some employees assume that flexibility means they can skip and or make time at will – and neither expectations are realistic. A safe working environment is already covered in OH&S laws, so it has no place here (and in many cases for the APS the workplace is inherently very unsafe, for example the Defence Forces). A rewarding workplace comes from having the right people in the right positions working collaboratively and that is covered in item B.

We know that items L and M are already covered in item B, so items L and M are irrelevant.

We know that item O does not occur because if item O were true, then the statistics provided about the APS overview in Chapter 1 would reflect this. In this submission the provided APS employee statistics were condensed into Table 1, "Now". If management properly performed PDRs, and followed through, and terminated the employment of those that did not have the calibre to perform; then the statistics would be very close to that provided in this submission in Table 2, "Focussed" and this situation is definitely not the case.

The Role of Senior Leaders

8. How do we ensure that APS leaders fulfil their responsibilities to promote and uphold the values?

The discussion paper states that 20% of APS employees (who are in contact with their ministers / offices) have difficulty in being apolitical, impartial, professional, accountable and engaged actively.

The role of senior leaders is fully understand the Government of the day's agenda and then to anticipate the needs and direction of the minister such that the minister has their total support, and nothing less. Even ministers need to be continually improved and continually educated.

Accountability and Trust

9. Do you think the APS engages appropriately and actively with government on an apolitical basis?

It is frustrating to see that in Figure 4.3 in the discussion Document that the number of SES recruits is almost 95% from within the ranks and about 5% from outside industry, because this tells a clear story that there is not enough 'new blood' in the SES ranks. This inbreeding is a major problem because most of the career bureaucrats that rise to the SES ranks are naturally very conservative and risk-averse and although it would be expected that most ministers are meticulous in their duties, it is up to the SES to make sure that the ministers get the right advice from their agencies, and that comes from the SES interface having the ability to think with totally different frames of references than the normal. Obviously there are a sizable proportion of SES executives that do not align with the ministers' / governments' philosophies and these SES should be relieved of their duties ASAP.

10. Are further reforms needed to clarify the roles and responsibilities of the APS when dealing with ministerial offices?

No!

Chapter 5: High Quality, Forward-Looking and Creative Policy Advice

Innovation and Integration with the Front Line

Figure 5.1 in the discussion paper shows very clearly that the people that posed these questions have a rather juvenile attitude towards innovation because the questions are not Quality Team based, but personally based, and the old saying “Two heads are better than one” holds true and a number of working groups (or Quality Circles) to continually improve processes through better understanding the overall situation and then by developing new ideas with totally different frames of reference as exemplified in Chapter 1 would super-charge the creative innovation capability.

The fact that only 67% of APS employees receive support from their management is alarming, as this is really saying that at least 33% of management actively discourages new ideas that could lead to innovations and greater productivity.

One of the missing questions would go along the lines of “***Does our management actively participate with us in “Quality Circles” to continually improve our processes and work practices”?***”

It is painfully obvious to me that the people that were engaged to produce this discussion paper have very little industry experience about TQM and the questions associated with Figure 5.1 exemplify their narrow-minded approach. If these people were as consultants, then I very strongly urge that they be discarded as fast as possible.

The term ‘Best Practices’ is a misnomer because with TQM, all practices are continually evolving and improving, and each business process is unique to that business unit. As such, it is impossible to have Best Practices, because what is at one site does not automatically transfer to another site.

The notion of ‘Worlds Best Practices’ is a ‘sleight of hand’ method used by extremely dishonest private sector entrepreneurs to identify Government Businesses Enterprises (GBEs) that ***appear to be working inefficiently*** by competitive business standards. These private sector entrepreneurs then claim that these particular GBEs therefore need to be ‘privatised to make them efficient’, and ***nothing could be further from the truth.***

The real situation is that rather dishonest competitive business entrepreneurs see that GBEs have massive money volumes and they know that if they can shift these GBEs into private hands they can drop several of the standard infrastructure practices and make the ex-GBEs look extremely profitable. Once that is done, then this situation apparently gives them some misgiven right to have the new executives paid astronomical salaries with even greater bonuses for the damage caused.

At this stage with the imminent break-up of Telstra into a GBE wholesale unit and a very efficient fully privatised retail operation with an associated massive content market, thousands of lawyers will be displaced from Telstra. No doubt these lawyers are touting for continued high salary work! Obviously these lawyers can see the writing on the wall and they are angling to dislodge some of the better-heeled APS agencies and have these moved into the private sector. Discussion Doc. Figure 4.2 shows the result in the USA where much of the private sector has been privatised and-or the government policy is laissez-faire (they just don't care) and the USA financial collapse is a typical result of this World's Best Practice folly!

Questions for Discussion

11. How can internal and external collaboration be strengthened to improve policy development and implementation?

The continual improvement practices that are embraced in Total Quality Management (TQM) are by far the best way to strengthen internal and external collaboration to improve policy development and implementation.

12. What should be done to continuously improve the capability of the APS workforce in policy formulation and implementation?

Embrace TQM from the top down and bottom up and that will automatically drive continuous improvement in all areas including the capability of the APS workforce in policy formulation and implementation

13. What can be done to bring the workforce development approach of the APS up to the level of the best organisations globally?

Embracing TQM from the top down and bottom up will bring the workforce development approach of the APS up to the level of the best organisations globally. As I have stated before in this submission, TQM takes at least two to three years to really kick-in, so it is not an overnight fix, but it is certainly worth it.

14. How do you think a stronger culture of innovation can be fostered?

There is an intrinsic problem with career bureaucrats being highly risk-averse (and this shows very clearly in the Discussion Paper Figure 5.1 with the two right hand bar columns being unacceptable). Column 4 should read below 5% and column 5 should read above 95%. I have already stated before that Engineers and SMEs need to be liberally mixed in with the career bureaucrats, as Engineers and SMEs are lateral thinkers, and not nearly as risk-averse as career bureaucrats, and TQM needs to be introduced and fostered at all levels.

15. What approaches to engaging with risk are most appropriate for the APS to provide high quality, forward looking and creative policy advice?

One of the starting points with TQMI is to run a series of 'brainstorming' sessions (where thoughts on a typical subject – for example 'risk' – are fleshed out). This might be rather confrontational to bureaucrats because they might be facing their greatest fear, but it has to be stipulated that in brainstorming sessions all thoughts and ideas are listed without fear, favour or prejudice. Others in the brainstorming session will branch and build on previous listed thoughts, and there is no such thing as a wrong suggestion, or discussion about suggestions during a brainstorming session.

Brainstorming leads to a later rationalising of the thoughts into what are called "Fishbone Diagrams" which put some sequencing and rationality into the thoughts, and that usually leads the way into creating a very detailed "Flow Chart" of the whole process, and this can take weeks (and cover walls), but flow charts have an uncanny way of highlighting where productivity is flawed, and where processes are at most risk of failure.

This same TQM techniques and tools can be utilised for managing the development of policy advice where the implications of an existing or emerging policy can be worked through by a

team of people in a relatively short time and come out with a list of probable outcomes that are very well considered, highly rational and low risk.

It is very unwise to have a TQM brainstorming team that are all of the same ilk (personality, experience, age, background, education, gender, etc.) because these people tend to think inside their comfort zone and that considerably narrows the brainstorming scope so that different frames of reference are not even thought of, or considered, or explored, and consequently teams of the same ilk usually fail to recognise the risk issues because of their single-mindedness.

16. How can agency performance management processes be amended to maximise the focus on the attainment of outcomes?

One of the biggest systemic mistakes in management is to monitor and measure the attainment of outcomes without primarily focussing on the Quality processes that go into make the outcomes themselves. All watched and recorded events tend to improve at the expense of other unrecorded events.

Watching and recording the attainment of outcomes as for example in ISO9001/2 will detract on the processes that go to make the outcomes happen, so in the short-term (for example a few years) the attainment of outcomes will increase, then plateau, and then fall back to where they started because the processes will not have changed to improve the productivity, and the best people will become burned out and leave.

If management were to simply focus on the Quality processes and continually interact to improve these processes in cooperation and guidance from the employees as in TQMI, then the attainment of outcomes will continually improve while the productivity will continually rise and the overhead costs will continually drop (maximising profits in the case of competitive businesses, and maximising service standards in the case of the APS).

Here is a classical example how managing on the attainment of outcomes burns out the best people and strives for the Second Best [6] scenario:

When ACTEW decided to go into telecommunications in the ACT, it arranged to do a rollout of a Cat 5 CAN into many Canberra suburbs. An Engineer friend who is well versed in TQM practices was charged to be the Project Manager of this rollout and he was 'given' about 35 field staff to 'get this CAN rollout completed on time and under budget'.

Against the Executive Management's wishes, he did not immediately put the field staff to roll out the new CAN, but put a week aside to ensure that the staff knew that work Quality was far more important than work speed, and that they embraced the basics of TQM.

Although experienced, these field staff had not worked with this type of technology and during this week while they learned the Cat 5 and TQM techniques and practices, he weeded out six of the 35 field staff because those field staff were focussed on process time and not Quality. The field staff also realised that to roll out this type of CAN their productivity would be much higher if they worked in teams of two or three depending on the construction of gardens, footpaths and buildings, and he championed this team flexibility.

Even with only 29 staff from the original 35, (83% staff) and with a week out of the rather tight time schedule, this project came in on time and under budget.

When this Project Manager handed his final progress report over to the Executive Management, they were not pleased because this report was not 'meaty and solid' (as it was only two pages long). The underlying problem was that the Executive Management had expected some hundreds of customer complaints and the proposed actions under ISO9001/2 to resolve the defective workmanship (pacify customers, fix lawns / gardens, litigation, etc.), as this project involved several tens of thousands of households.

There were no customer complaints.

*It should be obvious in this example of TQM in early practice that the productivity was well in excess of 20% because of the reduced staff numbers alone, and even though they lost a week in 'training' they still more than made up this time by doing every process correctly. The fact that there were no customer complaints astounded and embarrassed the Executive Management, and my very talented Engineer friend **opted not to stay employed there.***

Unfortunately, in general in Australia executive management has stuck itself to ISO9001/2 to have certainty that it cannot be personally litigated against, and in that frame of reference TQMI is now stifled.

Executive management in their quest to have everything 'done and dusted' within a certain time criteria (under ISO9001/2) in being totally self-centred to maximise the focus on the attainment of outcomes have quashed the management intellectuality that is TQMI. In that simple step the executive management have strived for a clearly Second Best [6] scenario, where if they had instead focussed on improving the Quality processes, [1, 2] then the productivity would have been significantly greater, and their profitability would have also been significantly greater, making them far more competitive. But they didn't...

Chapter 6: High Quality, Effective Programs and Services Focused on the Needs of Citizens

Many of the topics discussed in this area have already been answered in several other areas including the need to use a common data dictionary for all the public services, be they Federal, State or Local, so that computer databases can be efficiently and effectively 'dove-tailed' into one another for maximum effectiveness.

The efficiencies through this common data dictionary process will be immense, because this process will provide the foundation for being able to manage several differing aspects of citizens needs from a single point of contact (SPOC) and this in turn will greatly reduce the response time for citizens in need of assistance. As I have also pointed out, the virtual grid of data will also provide a data net that will catch a large number of citizens who habitually use fraudulent practices to have the government(s) continually fund their living expenses.

Questions for Discussion

17. How do we embed a citizen centred philosophy in all aspects of program and service design and delivery?

In the case of the APS, a citizen centred philosophy in all aspects of program and service design and delivery will only come through the entire APS employees learning and embracing the TQMI philosophies describes by the 14 rules [7] as given by Deming. Learning these 14 rules by rote can be done by anybody in one afternoon, so that is barely a University degree or TAFE course.

Learning how to apply these TQMI rules takes several months, if not years after initial practical training in controlled groups that go through several phases including but not exclusively: to initially break down the firmly established time controlled ROI practices, show the glaring flaws in ISO9001/2, abandoning praise or admonishment for random results, understanding how variation can be minimised, engaging employees at all levels (including all executives) to work cooperatively; and several other aspects of TQMI philosophy.

Many of the more successful TQMI teaching establishments utilise outside group activities interwoven with classroom activities over a total two to five days live-in away from the workplace with staff from all levels being treated as equals. This TQM learning process also acts as a very good time to identify the likely candidates for future management generations.

18. How can we better bring together service design, delivery and policy formulation processes—within individual programs and across all of government?

As stated several times before: The APS has on hand some of the best computing facilities in Australia and by far the largest databank on Australian citizens. It is imperative that a common data directory if already not established, be established and be operated over all APS agencies as a matter of priority.

It is imperative that the APS has a core business IT Services agency that manages:

- The purchasing, maintenance, installation, repair and replacement of all IT and associated equipment in the APS as a business imperative – not to be leased out or sub-contracted outside the APS.
- The comprehensive and common APS Data Dictionary as the central data spine for all database tables and their headings; so that duplication of data between agencies is minimised and efficient inter-agency data sharing will be practical and maximised.

- The APS IT services telecommunications network (in conjunction with the NBN) so that service justification is provided on an inter-agency cost benefit basis and not commercial cost-benefit analysis basis.
- The SPOC for the development and provision of APS information through the creation of specialist teams that have the inter-agency knowledge of what data is stored and the skills to combine and analyse this information.

The intended outcome from this specialist IT Services agency is that individual agencies will not have to concern themselves with IT requirements, because this IT Services agency will be proactive enough that it would ensure that the turnover of all equipment is such that wastage and the selling-off of highly functional equipment will be minimised. In reality PCs have a life of at least 7 years (without refurbishment) and this technology has become mature, meaning that the useful life will now extend to more than 12 years before refurbishment and more than 20 years with minor changes. For example, the Microsoft Windows XP operating system is a very mature operating system and in almost all cases there is no need to 'upgrade' past this point – Microsoft would disagree with Windows 7 operating system.

National management practices have massive economy of scale productivity advantages and one side of this is practice described in the following example:

During 1986 as a Junior Engineer in Telecom Australia, I was charged to create a database of all the analogue transmission equipment in operation in NSW so that we could get handle of the ongoing maintenance costs. Very quickly this flat database became a massive table and I realised the national significance of this data, and raised the issue with my management who contacted all interstate peers and cooperatively, data was collected nationally.

About six months later we pulled together an all-states conference on transmission equipment maintenance practices, and during that meeting we came to realise that immense savings would be realised if nationally, we pooled out maintenance centre's expertise and nationally focused them on specific brands of equipment to specialise and close off certain products.

Over the following year there were incredible productivity improvements as we significantly downsized or closed almost all the network transmission repair centres, centralised the transmission equipment spares from all the local exchange sites back into Melbourne, zeroed the purchasing of all analogue equipment and all replacement parts, significantly reduced stock spares and strategically restructured the national transmission network to phase out analogue equipment without issues while significantly improving customer service standards.

The lessons learned by the above exercise from more than 20 years ago has direct parallels for the APS IT Services agency, where if this agency were to manage the correlation of all PCs, laptops, servers, printers, toner, routers, switches, mainframes, network equipment etc for all Hospitals, Schools, LGAs, State and Federal Offices. The IT Services agency would then be in a prime position to take 'ownership' of all this equipment and weed out all the leasing arrangements, third party management arrangements and all hire-purchase arrangements.

Similarly, the productivity benefits through economies of scale are immense, and they start with the amount of e-waste being reduced by more than 50%. Instead of relatively new equipment being simply discarded ex-lease, most of the PC and associated equipment can be immediately recycled into schools, community centres, libraries etc., with minor refurbishment, saving at least another 50% in equipment costs. Most of the lesser performing equipment can be identified and replaced by more reliable equipment, saving at least another 10 to 20% of operational costs. Most of the associated software can come under a few large

contracts (if it does not already) and centres of excellence for document template development will radically reduce the variation and minimise rework, saving a good 10% in operational costs while speeding service delivery and improving office work practices.

By nationally coordinating the equipment inventories used in Hospitals and Medical Centres there will be large productivity improvements due to the highly coordinated strategic maintenance and replacement of ageing equipment. The national rollout of new equipment with large economies of scale would make the unit costing significantly less expensive. One of the main problems in Hospitals is fragmented equipment maintenance practices and by changing to have a national registry of all equipment, this would lead to the establishment of regional / national medical equipment maintenance centres that would be able to provide a far faster turn-around and a far higher Quality standards in maintenance with considerable monetary savings.

19. What options could be pursued to ensure citizens, especially those with higher needs, can access government information and services that they need?

The Federal Government is already moving on the NBN, which must not be managed along commercial business justifications as per Telstra. The prime reason why the plan to float Telecom Australia in 1982 was fundamentally flawed, was through the incorrect assumption that Telecom Australia was 'inefficient' and that by changing its modus operandi into being commercially sensitive Telecom Australia would become highly efficient. This incorrect assumption failed to recognise that Telecom Australia was already highly efficient in terms of providing cost-effective essential telecommunications services to all citizens. Changing the focus of Telecom Australia to become commercially efficient directly favoured metro and big business at the gross expense of citizens, particularly those with higher social support needs.

With this option now clearly spelt out to even to the most inept, it should be glaringly obvious that the telecommunications infrastructure (once brought back as a GBE) is never to be sold off in any form whatsoever out of Government hands. Concurrently, any person, party or economic think-tank that has alternative views favouring the selling-off or part-privatisation of the telecommunications infrastructure is very strongly advised to read through and comprehend the Davidson Report (1982) [9] and follow the subsequent history to see how and why any form of privatised telecommunications infrastructure is not in the interests of Australian citizens. Likewise privatising any part of the APS is not in the interest of citizens.

Providing the NBN infrastructure stays as a GBE (and the retail part is private – just like Myer, David Jones, Woolworth's, Coles, Bunnings etc.), then there is every chance that non-metropolitan areas will have considerable Broadband coverage so that these citizens (which will be the most likely people that will require extra support) will have adequate telecommunications facilities so that they can be connected to a range of human and machine interfaces that can provide all the information required, and they can inadvertently provide data about themselves that can be analysed into useful and timely information for action by APS employees.

20. How can we ensure performance management frameworks focus on the attainment of outcomes for citizens?

The most effective way that we ensure that performance management frameworks focus on the attainment of outcomes for citizens is to take the focus off performance management, and focus on process management through having all APS employees at all levels (especially the SES, ministers and associated executive levels) learn and embrace the Total Quality Management (TQM) philosophy.

Once the APS embraces the TQMI philosophy, these employees will naturally work collaboratively in their groups, between groups, in agencies, between agencies and between regions. Through working collaboratively, the barriers will be broken down and all process will go through a series of incremental improvements (and occasionally some processes will be totally re-engineered). The common outcome will be that performance management frameworks will inherently focus totally on attaining whatever is required for the citizens in the most productive manner. **Abolishing Performance Appraisals** [7] (Why They Fail and What to Do Instead) is another good reference that works well once TQM is embraced.

Chapter: 7 Flexibility and Agility

Why Privatisation Often Fails

The fundamental difference between work in the APS and work in the commercial competitive market is that jobs in the competitive commercial market environment are positioned for maximum financial return based on 'internal accounting' where the value of the work is rated on the direct monetary income that can be derived for doing a certain aspect of the business compared to the overheads of having that work in place, as per "Profit and Loss" (P&L) Statements.

There have been several instances where APS work has been transferred into the commercial competitive market and inevitably process corners have been cut to make the work involved more 'internally' profitable using P&L accounting. The usual scenario is that senior management on both sides praise each other for the efficiencies brought in through privatisation work, and in the following years the customer complaints rise, the number of customers using the now privatised work drops and usually that work is determined to be unprofitable so either that work is transferred back to the APS or that work is abolished.

The fundamental problem in privatising APS work is that the *external costing* (where savings made in other government managed areas and in the competitive business environment) is not accounted for. When the external accounting figures are included, then the decisions of whether to leave work in the government services or privatise this work takes on a very different attitude, and it is this APS work attitude or ethos that is the fundamental reason why most APS work should never be considered for the competitive environment.

Questions for Discussion

21. What is the optimal rate of mobility between APS agencies and other parts of the labour market? What could the APS do to encourage and support greater mobility?

Virtually all APS work involves a meticulous approach to having everything done properly and in a timely manner. This approach is, I believe the core of the APS culture, and I have no doubt that the best executives follow this ethos. There are also results-based executives that float to the top in every organisation in both the competitive environment and in the APS, and they stifle productivity as they are not educated in nor embrace the philosophies of TQMI.

All work requires a base knowledge and local expertise, and it is this local expertise when added to with positional changes that makes certain people more valuable than others. In the learning profession, people get awarded graduate master and professor degrees in universities, and this might take some four to say six years to attain, but outside the learning profession people also spend several years becoming 'unqualified' experts in certain aspects of work that would more than qualify them as graduate or master degrees, but this is generally not recognised, and people without university degrees are usually looked over because the university degree method of qualification is a mature product of knowledge quantisation (which includes the proven ability to concentrate on a project and see it through).

It takes about four to six years to get real expertise in any line of work, and at that point it is good for people to move into another line of work so that they can transfer their skills into this new line of work and use the synergies to get the 'flywheel effect' going. As shown in earlier examples, the ISO9001/2 accreditation processes burn-out the best employees and they leave well before the their TQMI knowledge and expertise can be practically imparted to the rest of the associated staff and the business quickly defaults into a Second Best [6] scenario.

If people are looking to move their expertise into entirely different lines of work before learning in the previous role for at least four years, then usually this is because there are underlying factors that are pushing them out of where they are currently working. Some people pick the wrong line of work, or the current role and or poor supervision / management / workload / burns out their enthusiasm.

Data about person transfer data between APS agencies, and/or the competitive business world is rather meaningless unless the causes for career change have been investigated and identified, and included with the transfer data. The Graphs given in the Discussion Paper Figures 7.1 and 7.2 are typical examples of rather useless data because there is no associated data or reasoning to explain why there is any variation with time and / or rank, nor does it break down to particular agencies and/or change of agency structure.

22. What practical mechanisms could be used to foster a more unified public service culture?

With the standardisation of personal computing technologies in the past 20 years (see Table 3 on page 10), and with the development of Structured Query Language (SQL) [10] based database technology over this same period, many of the APS agencies, be they Federal, State or Local Government level have a core of virtually standard communications, data saving and information retrieval practices.

Over the past 20 years these stabilised computing technologies have radically simplified the way that most office based processes work. Many APS agencies manage Bids for Tenders, at a Federal level this has already been standardised into one Internet site body. Most APS agencies analyse large amounts of data that could be common sourced.

Broadband Internet technologies have radically reduced the administration role of the States to such an extent that the States could hand over most of their administrative and planning roles to the Federal Government, and the States could take up the role as Regional Bid Administrators to make sure that the Tendered work to the competitive private sector is done according to the schedules and signed off under ISO9001/2 and use TQM to reign in costs.

This change in State administration roles would unify the Federal Government as the central body feeding successful Bids to the Local Governments, and to the State Governments for bids that crossed Local Government boundaries. This unified mechanism would introduce a very unified APS arrangement, as transfers between most of these roles would be almost transparent.

23. How could recruitment practices be enhanced within Australian Government entities? What are the strengths of current recruitment processes?

Figure 7.5 in the Discussion Paper shows a bar graph of the gap between different APS employment levels at 1996 and 2008 is normalised in a way because the salary gap is shown as a percentage between minimum and maximum. The graph also shows that in every case there has been position creep as well as salary creep. Position creep is particularly disturbing because it shows that certain levels (particularly at the upper SES level) have created significant changes to their salaries (28% to 51% in the case of SES3) in the space of only 12 years.

Again without the associated data to show what agencies have what changes and why, this data is rather useless. The data does however show that different departments obviously

value their employees rather differently over this time and that some staff are being paid significantly higher than their (so-called) peers, which then heavily questions the degree of accountability in the ranking of the APS employees system, as what are standard levels in one APS agency may be nothing like what are standard levels elsewhere.

The other more probable cause for the pay disparities will be that a large proportion of people are psychopathic in their work, and they naturally 'bully' their way to get what they want – including power and position. Most of these psychopathic people are highly charismatic, articulate and simply don't fit the standard profile of a criminal psychopath – but they walk amongst us in high numbers, and are usually high profile and are well-liked personalities. "Working with Monsters", [8] gives a very detailed overview about these people, and I agree with Professor John Clarke that the percentage of male workplace psychopaths is about 30% of the total male workforce. Unlike John, I believe that percentage of female workplace psychopaths is not 3% but also about 30% of the total female workforce, and I am sure that females are naturally far better at disguising their psychopathic profiles than males.

24. What are your top three ideas to encourage the pursuit of continuous improvement across the public service?

Continuous improvement only comes through embracing the philosophy of Total Quality Management (TQM) and W Edwards Deming has 14 rules to work with, not three, and these rules are taken directly from <http://web.njit.edu/~jrj3/Deming.html> :

1. "Create consistency and continuity..."
 - Improve products and services
 - Aim to be competitive, stay competitive, and provide jobs
 - Use components from reliable suppliers.
2. "Refuse to allow commonly accepted levels of delay for mistakes..."
 - Mitigate issues with defective material, defective workmanship
 - Ensure well tested supply chains
 - Create early vendor collaboration
3. "Eliminate the need for and dependence upon inspection..."
 - Build quality into the product before issues arise (preventive action)
 - Design for quality, manufacturability, assembly, maintenance, etc.
 - Team-oriented problem solving
4. "Reduce the number of suppliers and end the practice of awarding business on the basis of the price tag."
 - Buy supplies/components based on statistical evidence and not on price
 - Use a single or few suppliers (develop long-term relationships of loyalty and trust)
5. "Search continually for problems in the system and seek ways to improve it in order to decrease cost."
 - Improve quality and productivity and thus decrease cost on a continual basis

- Continuous quality improvement (staff performance evaluations, tuition support)
6. "Institute modern methods of training and education on the job."
 - Staff should understand the company's mission
 - Staff should keep the big picture in mind
 7. "Focus on leadership and supervision to help people to do a better job."
 - Provide tools and techniques to strengthen leaders
 - Have appropriate infrastructure
 8. "Eliminate fear."
 - Encourage open, honest, constructive communication (everyone works efficiently and effectively)
 9. "Break down barriers between departments."
 - Teamwork encourages problem solving and prompt exchange of information between departments
 - Foresee issues and solve them effectively
 - Organize group meetings with effective exchange of ideas
 10. "Eliminate the use of numerical goals, slogans, and posters..."
 - Use more creative ways of keeping up morale
 - Keep in mind that design quality and innovation cannot be measured by numbers easily
 11. "Eliminate work standards and quotas on the factory floor."
 - Eliminate management by numbers and numerical goals
 - Use statistical methods to improve and understand quality and productivity
 12. "Remove barriers..."
 - Responsibility of supervisors/managers changed from sheer numbers to quality
 - Staff should feel free to discuss issues as they occur
 13. "Institute a vigorous program of regular education..."
 - Keep staff up to date on new developments in science and technology
 - Set up regular design assessment meetings to encourage and suggest design changes
 14. "Clearly define and demonstrate management's permanent commitment to quality and productivity..."
 - Staff should feel assured that company's focus is on quality, not numbers, and that everyone should be involved.

Only firstly by embracing the TQMI philosophy will the APS focus on continuous improvement, and through this philosophy, the APS productivity will continually increase, meaning that the APS may need to decrease its total numbers while focusing on producing what is required by the citizens and competitive business to make Australia's Public Service the envy of the developed world.

Chapter: 8 Efficiency in all Aspects of Government Operations

The Departure Lounge

The APS has a sizable number of employees, and as far as I know, there is really no method to terminate a person from the APS other than if they retire or die. As it stands, I am firmly of the opinion that there is a sizable proportion of the APS employees that are poorly placed, and these people could perform far better if they were in the right agency or better placed within their own agency, and this does not mean promotions. It means moving people into work that challenges their aptitude and attitude in their team environment to maximise the teams' productivity and performance, and that includes exiting staff from employment.

The notion of a "Departure Lounge" came from several years in Telecom Australia / Telstra where if a person was determined (deemed) to be unsuitable for work or the position was made redundant, then they would figuratively be sent to the 'departure lounge' where these people's employment would be terminated or repositioned; and if made redundant they were given a payout on leaving.

While there I saw many positions that were made redundant and the people as good as they were, were paid out to leave, and to me this was disturbing, because many of these people had an immense amount of talent and they were simply discarded, without the notion that their skills could be transferred into another area. Here is a non-typical redundancy example:

Before I amicably left Telstra in 1996, I could see that because of technological advances in and around my area that we could perform software-based interrogation and maintenance on any equipment from any one Operations Centre in Australia, and that nationally the number of specialist maintenance staff would be about 10% of what was currently there. As the new Global Operations Centre was to be located in Melbourne (and I was not intending to relocate), I negotiated with several other areas / business units to nationally re-position most of my rather talented staff through the 'departure lounge' so that they would remain employed in alternate roles and continue to utilise their expertise, while I engineered my redundancy through the 'departure lounge'!

The APS is in effect one big family with an immense amount of similar talent that can be cross transferred between many agencies, but, there are situations where certain staff do not fit a particular agency, and they need to be shipped out and replaced by suitably talented staff, and this is where the 'departure lounge' concept comes in.

If displaced or unsuitable people had say eight weeks in the 'departure lounge', then their employment would not be immediately terminated but put on hold while they looked for employment in other agencies. At least in this case, all managers can provide real reports and minimise the "Peter Principle" where people are employed and promoted to levels of incompetence. If at the end of eight weeks the person has not been employed by another agency, then that person would have their employment terminated and they would be free to find work in the private sector.

From the figures that were provided in Chapter 1 on the overview of the APS, it seems to me that if the APS truly embraced the TQM philosophy then most of the non-TQM focussed staff would be replaced over the next say 12 months. With TQM, staff numbers are self-settling to lower numbers as processes improve, and they also rise as services are in more demand. Concurrently with TQM, the work ethos of most of the APS employees would change

dramatically and become clearly focused on utilising the most recently agreed improved processes to produce the most productive outcomes for their agencies.

Questions for Discussion

25. How can Australian Government policy departments improve their own efficiency?

See below

26. How can Australian Government service delivery agencies improve their own efficiency?

See below

27. What mechanisms should be used to systematically improve efficiency across the public service as a whole?

See below

28. What skills and capabilities are required to drive efficiency throughout public sector organisations?

The answers to questions 25, 26, 27, and 28 all have the same repetitive answer in that to improve efficiency; that comes with TQM(I), to improve systematic efficiency; that also comes with TQM(I), and the skills and capabilities required are all part of TQM(I).

Starting along the road of TQM and Improvement is usually rather difficult because as shown several times in this submission almost all business management in Australia is firmly locked into ISO9001/2, which is a tiny part of TQM and ISO9001/2 deliberately avoids the continuous improvement process.

An overview of the APS in Chapter 1 of the Discussion Paper showed that the management were not seriously performing PDRs with their staff and following through with addressing the appropriate development of their staff and /or weeding out (terminating the employment of) staff that were unsuitable. If management had done their PDR role effectively, then the APS overview figures would be considerably better than what was shown, and all APS employees would be clearly focussed on appropriate policies for the citizens of Australia.

The underlying fear is that the APS management are also tarred with the ISO9001/2 brush and are using performance appraisals in their PDRs instead of utilising the TQMI philosophies in the PDRs to develop their staff. This situation might be the reason why management may be so ineffective and the staff apparently unproductive. If the APS not being clearly focussed on proactively identifying and resolving the political needs of the Australian citizens, then agencies could give clear policy direction to the figurehead ministers in a timely manner.

If the executive management were taken as groups in off-site camps to learn the basics of TQM, and those that clearly did not fit the mould were removed from the APS, then this would be a good starting point to get TQM embedded into the APS. From that point, these remaining SES and their staff need to repeat this TQM training procedure until everybody in the APS embraces the TQM philosophy, or is no longer in the APS.

Once there is a large majority of APS employees that embrace the TQM philosophy in any APS area, then management at all levels must actively utilise the TQM philosophies to continually improve the processes and through that the APS will become far more productive, internally “competitive” and really focussed on being proactive – instead of being post-active.

Appendix

Personal Communication from Allan J Williams

Understanding Quality is an extremely important subject, sadly lost within Australia!

Most manufactures understand quality and how it should be managed, as a normal industry discipline, specially knowing about the feedback from customer experiences. In Australia today useful feedback is near impossible due to the attitudes that have created commercial and market monopoly barriers, as established in recent times, (since about 1998) between the users of near all things and the producers of near all things.

The first official public introduction into Australia about TQM was by way of an Australian business group, established in about 1984 as AOQC, Australian Organisation For Quality Control. The Chairman at the time, John Sprouster within a company that marketed copy machines, manufacture in USA wrote the first book published in Australia about quality circles and how to implement them.

This group, AOQC (supported by Philips) was the first to bring into Australia the idea of quality improvement programs in other areas of business other than factories, programs initiated at every layer with an organisation, within and between "coupled" work groups, (in process coupled chains, between producers and users or to manage the throughput quality and efficiencies, between process inputs and outputs. Teams would spend about an hour per week to study information collected about defects within their work areas as fed back from coupled chains or from the public.

Based on scientifically studied behaviours as was professionally organised during the second world war, in British defence departments, in particular, (a Churchill / Cambridge University program) these study groups would train each other in behavioural disciplines. Post world war this behaviour was adopted within the Marshall plan, to organise fast recoveries of damaged environments within Japan and within Europe.

People in Japan like Ishikawa, within Japanese universities, and Ono, within Toyota, the production manager of their first car, developed these into programs that most of us recognise as Quality Circles. Unfortunately, companies within USA, (and now Australia) instead of introducing these as a free public, program as AOQC did in Australia, consultants sold these programs and even increased the complexities (to look professional and important, lots of paperwork) to become management programs such as re-engineering or Quality Management. Major consultancies like W D Scott become extremely rich marketing these programs into major enterprises, even like GM and Enron and Telstra!

In Europe, companies more or less paralleled the Japanese approach, as a program called Total Quality Management and Improvement, (TQMI), with a little hint that it was a management skill.

In 1985, I brought this program to Australia by way of a four day conference in Sydney, (sponsored by Philips International), where IBM, Kodak, Philips, Ford and Toyota each provided two, a morning and an afternoon speaker from their best quality managed units in their world, with group discussions with our 300 odd guests, about quality behaviour within companies. For the first time, as with AOQC, quality focussed on all company behaviours,

not just factories, even answering telephones or accounting systems and processes. (I recorded this conference on tapes).

Post this Philips TQMI conference, Graham Spong from IBM Australia and I (with Philips push and support from Europe) founded, in early 1986, the Australian TQMI Institute. We adopted the overseas ISO quality standards within our member companies, with the addition of the Quality Circles behaviour disciplines, about ten group training modules, how to define and measure the causes and costs of defects and how to solve problems and implement improvements, and how to calculate cost reductions. By these conformance standards measured against their specified criteria, they were able to measure continual improvements within their own teams, and reported these to managers. Less defects in processes and their systems meant increased profitability, which the teams were trained to understand, highly motivational while intellectually improved learning about their own systems and processes. By 1990's this Australian institute had about 400 Australian company members.

I pushed for the idea that this be a curriculum within Australian Universities. However, federal government had what they thought a better idea, to officially certify the use of the ISO 9000 standard in 1992, (now the 9001- 2) (and in Standards Australia about 1994, before Standards Australia was converted to a commercial business. This standard for companies to be public registered as ISO 9001 certified is no more than an emblem to prove they have a quality practitioner to certify minimum quality has been achieved. This paper certificate is to display to their customers that the company has a system and a quality practitioner who can identify and measure defects as a % of outputs, and will deliver "quality" according to agreed %.

The Government adopted our ISO training program (free of reimbursement fees!) but not the quality improvement modules. The government "qualified" professionals trained as Quality Practitioners for \$3000 per person fee, who were then credited to install ISO 9001 certification systems into companies. This was then a company certified to Australian Quality Standards.

Then things started to go really sour.

First of all ISO 9001 certifies the minimum standard, as accepted or failed as measured by a quality practitioner, not by a work team. The concept behind TQMI is improvement; to continually improve the company's efficiency and while doing so, raise the minimum quality hurdles to reduce costs to the supply company. Japan has done so and as China is doing. But not in USA, where the ISO 9000 series is more a private charge on supplies and in Australia a private charge (to create jobs?) and also a tax on suppliers, no longer understood by the business fraternities as a process improvement skills within all layers of a company all, companies, even within government bureaucracies, that if a true quality system existed there, the members of the Australian parliaments would be listening to the needs of Australia.

Quality improvement is an intellectually developed talent. Quality is an attitude. With the new easy way out for most managers, few companies were interested in the Australian TQMI. It died; so did AOQC.

Does that help? Best regards, Allan. 17-Oct-2009

Acronyms

ACT	Australian Capital Territory
ACTEW	ACT Electricity and Water Corporation P/L
AOCQ	Australian Organisation For Quality Control
APRANET	Advanced Research Projects Agency Network
APS	Australian Public Service
Bn	Billion
Cat 5	Category 5 cable (4 pair, 100 Mbit/s max data rate)
CO2	Carbon Dioxide
DADHC	Department of Disabilities and Home Care
DOS	Disk Operating System
DSS	Department of Social Security
EV	Electric (powered) Vehicle
FPOC	First Point Of Contact
FTP	File Transfer Protocol
GCIF	Green Car Innovation Fund
GIS	Geographic Information System
GM	General Motors
GUI	Graphical User Interface
HADS	Home Aid Data System
IBM	International business Machines
ICE	Internal Combustion Engine
ID	Identification or Identity Code
IP	Internet Protocol
ISO	International Standards Organisation
LINUX	A freeware Multi User Operating System
M	Million
NBN	National Broadband Network
NT	Nortel Technology
OH&S	Occupational Health and Safety
PDF	Public Domain Format
PDR	Performance Development Review
PMG	Post Master General's Department
Pu239	(Plutonium) Uranium suitable for Atomic Bomb construction
Pu240	Plutonium as spent Uranium
ROI	Return On Investment
SES	Senior Executive Service
SME	Subject Matter Expert
SMOF	Single Mode Optical Fibre
SOP	Standard Operating Procedure
SQL	Structured Query Language
TQM	Total Quality Management
TQMI	Total Quality Management and Improvement
U238	Uranium suitable for Power Station electrical generation
USA	United States of America

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