

POLITICS FEDERAL PUBLIC SERVICE

Risky business? Problems with a timid public service

By **Doug Dingwall & Sally Whyte**

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Why it matters

- The federal bureaucracy is known for being risk averse, despite calls for change.
- New survey results show public servants are not rewarded for taking risks.
- The findings follow reports that decisions are being concentrated in the bureaucracy's top ranks.

The federal public service is not helping its reputation for avoiding risks in the results from the latest snapshot of the bureaucracy.

Government agencies are failing to reward their bureaucrats for taking risks, and most staff believe their workplaces don't handle change well, new employee census results have revealed.

The findings follow reports from public servants to a major review into the bureaucracy that decision-making is being taken from less senior bureaucrats and concentrated in the top ranks, as agencies grow more cautious.

Months after [a separate, smaller review](#) of the Australian Public Service found its approach to risk was immature, a survey has indicated a lack of incentives may be failing to encourage public servants to take a chance.

The review, [released in September](#) and led by business figures Elizabeth Alexander and David Thodey, urged the public service to reward effective approaches to risk and encourage learning from failure, rather than rushing to punish mistakes.

In its [latest State of the Service report](#), tabled in Parliament on Monday, the public service commission found only 28 per cent of public servants said their agencies rewarded appropriate risk-taking.

The report also showed less than half of 100,000 bureaucrats surveyed had positive views of their workplace's handling of change, although the figure has improved since 2013.

Responses to the survey signalled many bureaucrats didn't understand their workplace's rules for approaching risk, may not see them in action, or didn't know how the questions applied to their agency.

"This suggests there is some way to go in building an appropriate risk culture in the APS," the public service commission said.

Public service commissioner Peter Woolcott said the bureaucracy's management of risk needed further work.

Less than half of bureaucrats surveyed said their agency had the right skills to manage risk effectively, or that when things went wrong, their workplaces used it as a chance to learn and improve.

Both employees and their bosses agreed the public service could manage change better. Only 38 per cent of bureaucrats said their agency handled it well.

When asked in a 2017 survey, nearly 90 per cent of agencies said they needed to improve in managing change.

The secretariat of the major public service review, David Williamson, last week said that risk appetite was a strong theme emerging from submissions.

"Just within the APS itself we hear lots of stories about people really feeling disempowered," Mr Williamson said, explaining how decision-making was increasingly isolated to the higher levels of departments.

"It's creeping upwards and we've looked at ways to address that.

"If you've got 55 layers of management, it's difficult to see how that can help you be responsive and agile."

Ms Alexander and Mr Thodey's separate review said ministers and MPs must give the bureaucracy room to fail, but that there was no evidence its risk appetite had changed.

"An overreaction to things that go wrong, particularly where consequences are limited, does not help to create a more mature approach to risk management in the Commonwealth. To the contrary, it reinforces risk aversion and stifles innovation," they said.

"We have been told that risk aversion is deeply embedded in the psyche of Commonwealth officials, and in the Commonwealth's business practices, in part due to the political implications when things go wrong."

They called for agencies to appoint chief risk officers and risk committees to help reverse the trend.



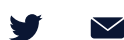
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