

TRANSCRIPT OF EVENT

Secretary Series: Blair Comley PSM

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Attorney-General's Department

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KATHERINE JONES PSM:

Welcome everyone to the latest IPAA Secretary Speaker Series. I'm Katherine Jones. I'm the president of IPAA ACT and secretary of the Attorney General's Department. So, it's my pleasure to open this event today. I would like to commence by acknowledging the traditional owners of the land on which we meet here in the ACT, the Ngunnawal people, but also acknowledge other communities, families, and individuals with a connection to this beautiful country. I'd like to pay respects to their elders past and present and acknowledge any aboriginal and Torres Strait Islander people who are joining us here today.

Sometimes I truncate introductions to people because we just want to get to the main game of hearing from them, but I do want to give a flavour of what an extraordinary career Blair has already had. He has served as the secretary of the Commonwealth Department of Climate Change and Energy Efficiency during a rather turbulent period around climate change policy. He was the secretary of the Commonwealth Department of Resources Energy and Tourism. He's been the secretary of the New South Wales Department of Premier and Cabinet and therefore, the most senior public servant in New South Wales.

He's had senior leadership positions in treasury, including indirect tax division and business tax division, the macroeconomic policy division, and the acting chief executive of the Australian Office of Financial Management with responsibility for managing the commonwealth's debt and derivative portfolio.

He was awarded the public service medal for outstanding public service in the development of public policy, particularly in the areas of carbon pricing and emissions trading, tax policy design and debt management. So, an extraordinary career with great breadth and variety and really looking forward to hearing from Blair today. Please join me in welcoming him.

BLAIR COMLEY PSM:

Thank you, Katherine, and congratulations again on the fellowship richly deserved. I also like to acknowledge the traditional owners of the land, the Ngunnawal people and pay respect to elder's past, present and emerging.

Where to start? What I'm going to talk about today really is the great gift I got when I started as secretary, which is Department of Health was participating in the next round of capability reviews. Somewhat ironically, I was the secretary of climate change when the first capability review was done back in 2011, and that itself was a fantastically useful thing for the department that allowed us to balance our perspective on what we did as a department.

And so, when you start as a secretary or as a leader of an organisation, my philosophy normally is to watch and listen for as long as I have the patience to watch and listen for, and then form an assessment of what's great, what needs to be built on, and what needs to change.

I recall when I started at New South Wales, I spent about two months and I just sat in my office one day and wrote 12 things on a piece of paper, which I thought were my observation of what needed to be done, and then I started sharing that with the SES and the group. We modified it a bit and probably over three years, we methodically worked through those 12 things.

Starting in health, I had a capability review land on my door stop within a month and it was a great piece of work. It was a great piece of work led by Andrew Tung, Larry Kamener and David Hallinan. But it was also a great piece of work because they'd engaged with over 60 stakeholders internally and externally to the department, including focus groups.

So, I felt that I had an evidence base of what was good about the department and what needed to be emphasised in a way that you often don't have as a leader. And that was particularly important because if you think of the health and aged care portfolio and there's also sport, I never forget sport. It's part of our portfolio. I'm passionate about sport. It can feel like the forgotten child, but it's not forgotten to me at any point in time.

And the capability reviews basically said several things. First, it commented on some incredible strengths. One of those strengths was a very inclusive and respectful culture. The phrases that came from the staff all the time was, "This is a great place to work. We feel

supported and engaged," which is a great thing. Engagement scores of the department are significantly higher than the APS average. Scores on leadership in the staff surveys are higher than the APS average by a significant margin as well. It's a great foundation.

And the other thing the capability review observed was that the department had stepped up magnificently during COVID, a crisis that none of us ... I think personally, I still block it out. I wasn't in the public service at the time, but I remember flipping from a world of working in offices and doing things in the private sector. I remember doing a client piece of work for was the Australian energy regulator and I was planning to do a two-day strategy session with their board on the 23rd of March 2020.

And then we were all locked down or we weren't going into offices and we had to adjust what we were doing. But if you remember 2020 and 2021, it was an enormous challenge, an incredibly policy and implementation rich environment where people were making potentially life-changing decisions daily.

In the audience, we've got Paul Kelly, who was chief medical officer for much of that. And just think of what it must be like to go into a health protection committee with your state and territory colleagues to debate what is the way to balance the interests of public health versus the needs of the rest of the citizenry. That's the challenge that confronted the department daily, the challenge to try and get vaccines into the country, the challenge to try and think what the right distribution system.

And for a department that really had never had a significant logistics function to step up and be able to deliver that was an incredible testament to the public service. I also think COVID as an outside observer but occasionally drawn in by former colleagues to help out from time to time was a classic case where you saw the best of the public service working with the government of the day in multiple jurisdictions to provide frank and fearless advice and deliver outcomes.

So, the capability review had that legacy as the foundation for the department. And this is like one of those feedback sessions you have hopefully on a

regular basis. There's a nice positive intro and then we're going to get to some opportunities for development and then we're going to move on at the end to an uplifting message, I hope.

The capability review came forward and we got as a department and we started to think about how we're going to implement it. Now, the first thing I want to say is almost a process point, which is we could have gone down the track of taking what is quite a long document and developing 25 implementation plans with milestones, which would've felt very good from a project management perspective, but I wasn't sure it was going to be the way we move the department forward.

My experience in other organisations is latching onto a few key themes, particularly where you think those key themes are going to have ripple effects for the rest of the organisation is the way to go. And frankly, one of the things I say to my leadership team is I want you to know the story of the department, have confidence you can tell that story and feel over time that you can shape what that story is. It's a mantra of mine. And if you have 20 implementation plans each with 10 subpoints, you'll never know that as a leader. So, you won't communicate it through the organisation.

So, we came with three themes. The three themes were and it came from the review itself that we need to lift our strategic policy capability. The second was that we need to gauge better with our stakeholders. And the third was we need to empower our executive leaders in the middle of the organisation. And I'll come to each of those in terms.

And the beauty of, I think those themes, one, they really resonate with me, but also, I can remember them because there's three. I'm looking at David Gruen because someone close to him always criticised me. I always have three points. These are the three points. So, lifting our strategic policy capability, a few points about that. The first is the review did say strategic policy capability, but I certainly interpret that as lifting our strategic capability across the board.

So, you can be strategic in policy, but you can also be

strategic in programme delivery and you can be strategic when you're delivering an IT project. And strategy in that case often just means being very, very clear what your objectives are, what you're ultimately trying to achieve, being very clear about where the status quo is and being very clear about the endpoint and then being very clear about what the transition path. So, in everything we do as a department, we want to have that clarity of strategic thinking.

Now, this comes at several levels. One is just simple clarity of thought. And one thing I'm a bit of a broken record on the department about is to make sure that our written work is as clear as possible. It sounds very mundane, but it's important.

Recently, and this is probably a bit of background for the rest of the service, it's well over half, but almost at times close to two-thirds of the new policy proposals in government through a budget cycle come from the Department of Health and Aged Care. We are very popular among ERC members for that. Many of our MPPs are about quite technical things in the health system or the aged care system. They are drafted typically by people who are very close to the topic and are very passionate about the topic.

What they're often not great at is thinking to themselves, who is my audience? And my audience is in many respects, a very busy ERC minister or a person in a central agency who is trying to work out, first, what are you actually proposing and how can I be convinced that that is going to improve the wellbeing of the Australian people? And then when I think about it, how can I be convinced when I have thousands of proposals across the whole of government that this investment is better than the other investments that I could make across the system?

And so, one of the ways I think about it is you should write an MPP as if you're writing for the AFR audience. Someone who might be broadly interested in policy but is not an expert in the area. So, we've got to be as clear as possible. And I'll come back to a bit of MPPS and how I think we've got to get those better a bit when I talk about devolution.

To do better strategic policy, we also need to rely on

data and be very, very data focused. There are parts of our organisation that do that fantastically and we have great resources. The ABS, obviously, Australian Institute of Health and Welfare provides us fantastical information, but there's lots of other information we also have. We need to systematically use that data. So, our evidence is basing our policy and it's not just a hunch.

One of the things I learned I think is more as a consultant than I did in the public service and I observe sometimes is I will sometimes ask someone, what's the data for that or what's the evidence? And I will sometimes get a response, I don't have the perfect data set for that. And then sometimes, the conversation finishes after I don't have the perfect data set.

A lot of what you do as a consultant is say, "I don't know what the data is, but what would I have to believe to support a particular policy conclusion? What would I have to believe?" And so, sometimes you can create a scenario analysis that is not based on data you have, but then points you in the direction of the data you'd love to collect to be better able to answer that question in the future.

And I'll give you an example. In our department, we must decide which things are best for the health system. Now, one commonly used metric in health is a quality adjusted life year. So, if I have an intervention, how many life years and quality adjusted because if you live in a fully healthy state, you might rank that as one. If you've got a disability of some type, that might not be a fully actualized life in some way. And these metrics are created quality adjusted life years.

And so, I often ask the question, for our intervention, what is the number of dollars that we're expending per quality adjusted life year? And in some areas, we have good metrics. Australia has a fantastic system of health technology assessment where it's common to try and calculate these measures for medicines or new procedures. In other areas, we don't. When we don't, I tend to say to people, we don't have the data, but map out the logic of what you'd have to believe to calculate that quality adjusted life year.

So, if you've got a programme for example, for a new training programme for rural medical specialists,

because there's not enough rural medical specialists in the country, how would you think about the chain of logic that takes you from 20 new places in Wagga Wagga to the health outcomes in that area? And where in any of that chain could we collect data that would allow us to inform that decision? That's what we should try and do. So, not get paralysed by the lack of data now but map out the logic and then look for the data.

Then the last thing on strategic policy is that's the nitty-gritty of strategic policy, but there's also a bit to me, which is do we have a strategic map of the whole health and aged care system? And is that strategic map well understood across our whole department? Is it one that would be well understood by stakeholders and has it been tested? Because if you don't have a strategic map, how do you turn around and then decide or provide advice on what the relative prioritisation of your expenditure is?

So, tomorrow, my SES are going on a planning day to have the first crack at talking about the strategic map. I am predicting we won't finish it tomorrow. I'm also predicting that with very good evidence because we've been talking about this at the executive committee level. We've had three or four trips around it. Our strategy team led by Rebecca Richardson, who's here today, has been working on it and we've engaged the new Australian public sector consulting group out of PM&C to help us with this on the way through, which has been a great partnership.

And the reason it's quite hard is everyone has a different map in their mind. When I started this, I had a map in my mind, which was, to be honest, comes a bit out of my heritage as an economist, I'm thinking at the top of the tree a map that starts with the health and wellbeing outcomes of the Australian people. Then I'm thinking about what are the services that need to be provided? But before I even get to that, I'm thinking about what determines people's health and wellbeing outcomes.

If you look at the literature, around 40% of it is the social determinants of health and what your income

levels, whether you have housing, et cetera. It's not anything to do with what we would normally think of the health system. 30% is behaviours. So, the way people make choices and some of those choices are constrained but do things that have an impact. Diet, nutrition, exercise, harmful use of alcohol and drugs, all those things that happen, behaviours. 20% genetics and about 10% is the health system.

That's worth pausing on that for a moment when you think about what we spend on the health system and where we invest our resources if that's the answer. And sometimes when I put that forward and I've put it forward in many forums, you don't get much pushback on it to be honest. It doesn't feel like that if you are the cancer survivor that's gone through chemotherapy and radiation. But there is a bit of question, what led to that in the first place, and what about the other conditions that don't look like?

And of course, in health what's becoming more and more common is less of the cancer, but more of the chronic conditions that people carry through their lives, particularly with an ageing of the population. So, I had this map which said, that's my map at the top and I'd love to direct people's eyes to the left-hand side of that map to the social determinants and preventions and less to the right-hand side.

Then I have a set of services in the health system. They must be provided by providers, and those providers must source a workforce, and that workforce is supported by the available technology and capital that comes in. So, I'm thinking about a resource map. I put that forward and people are, "Yeah." And part of the way, okay, where's the person at the middle of that map? Where's the patient journey? Where's the client journey? Where's that perspective? And I go, "Well, it's up in the hill. It's the wellbeing, but at the top." And then they go, "No, no, no. It doesn't resonate with me."

So, I have a resource flow thing. And one of the reasons I have in that mind is because I think I don't want a map that's a purely academic exercise. I want a map that helps me think about what are the policy choices that we should be making. So, I want a map that helps me think about are the providers in this system financially viable?

And if you think about the health system, we spend about 10.7% of GDP on health, roughly a third of that's commonwealth expenditure, roughly a third in state, roughly a third is private individuals. So, that's the financing part of it. And then we have providers, and yes, there are state government hospitals, but most of those providers are in the private sector.

So, we must understand what is going to be an existence where we set the incentives up to ensure that the right health services are provided by a private sector system. And then workforce is like that at an individual level. How do we make sure we have a workforce that has sufficient incentives to want to provide this healthcare?

Now, it's not all financial. The reason the health system works and the way is partly because a lot of people are genuinely, personally and altruistically motivated to the health outcomes of the population, but we must do that in a way that we get the right workforce in the right place. So, you've got to think about that.

So, when we think about the framework, that's one lens, but our consulting friends and the rest of the executive also think, is that the best map we could have or should we have much more of an outcome map that we think about the system, and should we have a map that really brings equity to life and access to health on a more sustainable basis to life?

So, there's not going to be a right map for every purpose, but we're starting a journey to get that map together, which tries to get together those various perspectives in a way that resonates. And because I want our executive to be able to know the story, tell the story and shape the story, one, they're shaping the story, what the map is, but they need to feel throughout the process that they're empowered to tell that to their team and their team will then give them feedback about whether that resonates in their area.

So, it's going to be an iterative process. It'll take the whole year. And it'll take the whole year, which we won't just do internally because we need to engage with our external stakeholders.

So, the second theme was deepening our engagement with community and stakeholders. And I'll come to this

in a little bit. So, the first thing is we need to engage with stakeholders at every level. We need to be systematic and not transactional, purely transactional. It's important to have conversation with stakeholders if you can before it gets tricky because then, you have a relationship and that relationship really matters. I'm a big believer that we as public servants need to engage honestly with our stakeholders.

And I mean honestly, one of the things I really focus on is I think quite commonly a stakeholder comes in and asks for something of government and the public servant smiles and nods and then they leave the room and the public servant goes, "We're not going to do that."

Now, why do they smile and nod? Well, some of it might be people are conflict averse, they don't want to have a conversation that might be awkward. Some of it might be they're really worried about pre-empting a minister because they don't know whether the minister might agree with that stakeholder down the track.

But for whatever the motivation, if you don't put back to a stakeholder, I'm not finding that argument compelling, you're not giving them the opportunity to either say something like, "Oh, no, you didn't fully understand my perspective. This is my perspective and that may change your mind." Or you're not giving them the opportunity to say, "My argument hasn't been compelling. I better go away and think about is there another piece of information? Is there another argument that would be compelling that gives me a chance of that being a better outcome for me?"

So, I think we need to do that. To be able to do that, you must do your homework. You've got to be across the detail because you smile and nod too partly, and I've done this myself when you're just not quite up to speed. So, you're still trying to work out not whether I agree with the argument. You're trying to work out what the argument is. So, you need a lot of homework to engage well with stakeholders.

That's a particular challenge as a secretary because lots of people want to see you because of the secretary. And believe me, it's tricky to be across the detail of a department where 7,000 people are busily

doing things. You can't do it, which is, why I'd like stakeholders to engage more, not with me, not I don't like dealing with them, but with people closer to the action. And those people should feel empowered to deal with the stakeholders in a way that becomes a quality interaction for that stakeholder, not just I've been full bluff down the chain.

The other thing the capability review said on stakeholders was a slightly different twist, which it said there is not a national health narrative that there should be one and that if anyone is going to help develop it, it has to be the Department of Health because of its institutional position of continuity within the system, which gels right back to the question of the strategic map. What is the health narrative? So, we need to be on a journey of what is a strategic health narrative. Stakeholders said they want it. It's going to be challenging to do, but we need to do it.

The third theme was unlocking our executive potential. So, the observation was that a lot of stakeholder feedback on senior people within the department but felt it was everything was done at senior level, a lot could be devolved. And this has been quite a passion of mine for a long period of time. I think the more we can do devolution, the more we can give people autonomy. It's good on a whole range of fronts. It's particularly good in giving people more rewarding and engaging roles.

If you are sitting as an EL2 in a department and you draught something or provide some advice and it goes up to your assistant secretary to your first assistant secretary or deputy secretary being changed at every point on the time and then bounces back to you, it's pretty disempowering. And the incentives for you to get the first crack right are low, pretty low.

And the other thing about that is that's disempowering for that person. It's also not a great deal of fun for someone a bit further up the chain who's asked to clear something half an hour before the ultimate deadline to leave the department thinking, "I can't shape this at all." So, what we need to do is make sure you devolve.

Now, way back in my career when I was working in treasury, there was a review and we're talking now, I

think it was 26 years ago that review was done. There was an external consultant that came in, worked with the department and observed this tendency for massive rework up and down the line, which was disempowering people in the process, was also putting enormous strain on the working levels of senior people because they were taking a large burden.

Their recommendation, which was adopted for a while, I think it's not quite the way it's done now, was that the sign-off level for a minute to the treasurer, so the key pieces of policy advice of the department should be EL2. So, the EL2 was responsible for signing off that advice. Now, early days there was a bit of overshooting. I do remember a few famous stories of EL2 draught something. Their branch head or the FAS, "I think you could tweak this." "No, my advice, just back off. Here's the review. That's my job, not yours."

But of course, a practical middle ground is yes, the EL2 can be the sign-off level, but there's an expectation that part of the risk management is that that person has to work out when there is a sensitivity and has to escalate and get guidance when things matter, or there will be particular pieces of advice that it makes sense to break the general rule.

But having the general rule as a default is quite powerful in terms of changing the sense of what work is. And if you create that expectation that the EL2 is the person that is signing off the advice and is responsible for getting the quality that can go out the department, what it does is it frees up your band ones, your band twos, your band threes, your secretary to not be editors with a pen in their hand, but to be someone saying, "I'm not trying to get this advice crisp back to my drafting point. I'm not the person trying to make it crisp. I'm the person trying to assess whether this is strategically. And because I have a slightly bigger span of control, how does this rank compare with the other priorities within my area?"

And that means you're doing the right work. It also means that the senior person is in a much better position to have the time to think about relative prioritisation across the department because one thing

that came out of our capability review, and I suspect it would come out of every capability review of any department in the commonwealth or the state, is that departments can be better at prioritisation. That we're good at adding new things. We're not particularly good at taking old things off the agenda.

And if you're on the hamster wheel of clearing brief after brief after brief, that is what you are likely to get, because you're not lifting the sites about what is strategically important.

Come back to my MPPs that I was talking about before. One way to make me personally grumpy is to give me a large set of documents to edit on my own in an office. That's because if you look at any personality test, I've ever done, it's partly because they're apparently 0.4 or 0.6% of the population who are more extroverted than me. I can't remember meeting them, but I believe they're out there.

And so, to me, if you want a quality engagement with me, come and have a conversation and you'll get clarity and you'll work out. Me with a pen in the hand is not my idea of fun. If it's a pen in the hand editing something that has very long sentences and I'm trying to work out because I've got 50 of them to get through, what is the point of this proposal and how should I advocate to a minister whether it's the right thing? My grumpiness goes up just a tad further.

So, earlier this year we had a bunch of MPPs, when I say a bunch, I'm not going to put precise numbers, but in three digits, that we were putting through the budget process. And admittedly, we'd massively pulled forward the timeframes to do these things, and so people didn't have a lot of time to do them, but they not universally, there's always a distribution, but they're a bit turgid.

So, what did I do at that point of time? Well, I'd had the capability review in my mind about empowering the middle and I wanted to get the executive levels doing the right thing. So, I didn't sit there with a pen and I didn't go back to my deputies and say, "Sit there with a pen and improve them." I said, "No, we've got to systematically say it's actually the responsibility of say the EL2s to get this right in a drafting sense and then we can assess whether they're good policies,

understand what they are."

So, I got the budget team up and I said, "Just bring one MPP with you, one MPP." And we sat down for 50 minutes and I helped redraft that MPP, I'm exaggerating. I redrafted two paragraphs, which were the two-paragraph short form executive summary of that thing.

Now, one of that things that illustrates is to write clearly having in your mind who's my audience. My audience is the AFR reader who knows almost nothing specifically about this area but is interested to learn and to get it as crisp, but they can read through without having to pause or stumble and say, "I actually know what you're proposing and I can understand why you think it's a good idea. And you can do that in two paragraphs." That's not an easy task.

But we sat down for 45 minutes. The team also to their great credit, started to distil a few of the rules in my mind that I was applying to this. So, I was going back to a consulting framework situation-complication-resolution or situation-complication-solution. So, tell me what the situation is. Not assuming I know what it is but explain it. Tell me what the problem I'm trying to solve is. Tell me why this is a solution aligned to that problem. And it sounds trivial, but getting that structure right means that the reader who knows nothing about it's got a chance. Whereas if you implicitly refer to something, it's harder.

And then there's other things like on short sentences; I don't want every sentence to start with a qualifier. I'd like it to be an active voice, all those sorts of drafting things. Anyway. So, they created some rules. We then pulled together a group, all the people drafting MPPs across the department for an hour on a video hook-up gave the example, walked it through and said, "Have another crack."

We also renegotiated with the office to said, "That deadline you've got, you don't want that deadline. We can give you that deadline and you'll have things that are quite hard to read. Give us two more days and your job will be a lot easier and your job won't be redrafting it. We'll be thinking about exactly what is the right policy."

Anyway. Two days later, the MPPs came back and they were just radically transformed. And what this highlight to me, too, is we have massive latent capacity in the public service, we just must be clear about the guidelines and the expectations on the way through.

So, last thing, just tie this together. Why do I want to empower the people at that level? One, because it will mean the right work's been done at the right level. It'll allow more time for strategy. If you empower them to do stakeholder management in a more sophisticated way, we can touch the vast number of stakeholders much better than we can now. It is impossible to engage at scene level with a range of stakeholders. There's just too many and it won't be quality engagement for them.

And it also in my mind fundamentally reduces risk. I just want to say that again because a lot of people when you talk about devolution, say, "Oh, but risk's going to go up." I just think it's the wrong view of risk. Is it really risk reduction to put 100 MPPs on the desk of a secretary or deputy with half a day to clear them? Or is it reducing risk to have someone who might be responsible for one or two MPPs? Who knows, they've really got to pay attention to it to think through all the issues that might have to be in that and cover them off.

Now, you must wrap systems around that. You need protections. You need to make sure that it's not a random event. But I fundamentally believe that that devolution is not risk increasing. It's risk reducing across the whole system.

So, to conclude, the health department has a mission statement, vision statement to improve the health and wellbeing of Australians now and for future generations. That's the vision statement. And I think that's just an inspiring vision to have. And I'm sure at all the agencies or departments you work in, there is some mission statement that's similar.

It fundamentally starts with improving the wellbeing of Australians and then there's often by doing X, Y, and Z. And the X, Y, and Z are different, but the vision is the same. And I think that should be the centre of everything we do. And almost daily as we do each task, it's kind of are we improving? Are we aligned with that

goal? Are we improving the health and wellbeing?

Now, it may not feel quite as relevant or as inspiring as you are in the IT section debugging part of code, but when you debug that code and get it right, you are supporting someone else in the department or to do the work that directly contributes to that. It may not quite feel that as you are going through the 57th grant application and working whether it aligns with the criteria. But fundamentally, it is because of those grant criteria being set up because ultimately, they're meant to align to the health and wellbeing of Australians. So, in everything, we do that should be the centre.

And fundamentally, that's why I've come back to the public service because to get up on a daily basis and say, "That's what I'm here for and my job is to try and create the best environment possible for our department and to contribute to the public service so that that environment is genuinely aligned to that objective," that's a great reason to come to work every day. So, I'm very happy to be back. Thank you.

KATHERINE JONES PSM:

Fantastic. Thanks, Blair. I'm going to start off by saying one thing. I heard you say, "Know the story so you can tell the story, shape the story for the future" 15 years ago. And I have shamelessly plagiarised it myself over the journey because I think it's a lovely way for all of us to think about the narrative of our organisations, the narrative of our areas that we are responsible for. So, thank you for that.

Secondly, and I hate using the word we're on a "journey", but sometimes it's just the right word, but it's great the way that you've shared with us the way you're stepping back and thinking about the transformation of your organisation and how you are trying to think through some key themes to drive performance in the organisation and transform it. So, thank you and I think we'll all watch with great interest over the course of coming years.

My first question that I wanted to ask you is you had a great long senior career in the Commonwealth Public Service, then you went to New South Wales, a completely different jurisdiction, then you went into the private sector, now you're back after a 10-year gap

app. And as you noted in your speech, we had COVID in the middle there. I'm interested in your reflections of what are the significant changes that you've observed with the benefit of that break from the public service?

BLAIR COMLEY PSM:

Yeah. Can speak at length. And the other thing I just always say, when anyone asks me about reflecting on the public service, and they used to always ask me when I was in New South Wales what's the difference between the commonwealth and state, for example. And the first thing I always say is these are not homogeneous entities.

So, if you think about parts of the commonwealth, there are quite different cultures between departments. There are quite different tasks and orientations. And for example, the state government, you've got right down to very, very coalface service delivery in terms of trains and police and teachers and nurses to where I was in DPC doing central policy coordination. So, there's big variations.

But three things that strike me coming back to the commonwealth compared with when I left the commonwealth. The first thing is, and this I don't think it's just a point in time, the integrity agenda is right up on the top. And I didn't cover the integrity agenda in the speech because I thought the capability review response was more thing.

But daily, how we are dealing with integrity and ensuring that we earn and maintain the trust of the Australian public is very, very prominent. And if I think about Katherine, the time we spend as much time together as on secretary's board, you can't go through a secretary's board without what are we doing about integrity, how are we setting the guide rails to come up?

The second thing, and I think this is a pleasing thing, but I'll put a caveat. I genuinely think the commitment to closing the gap feels more intense than it felt 10 years ago. And the reason I say that with a little caution is we know what the results look like on the closing the gap targets and they're not where we want to be. Three of those targets sit within my department, including closing life expectancy gap. They're not where we want to be. But the prominence, the closing the gap agenda

is the sense of how we are embedding that in everything we do I do feel has lifted from when I left the commonwealth 10 years ago.

And the third thing, which is partly a public sector thing, but I think it's a societal thing, is we had COVID. Before COVID, flexibility agenda was I can get away one Thursday a week to pick up the kids or do something I really value. Now, we have a conversation whether it's too inflexible to ask someone to come one meeting a week into the office because we've really had this massive transformation. So, in the middle of COVID, I sometimes jokingly say flexibility was deciding whether I work in the lounge room or the bedroom. That was the limits of my flexibility. But now, we have this massive hybrid working environment.

And I think that's a big change and I think we're still in a transition point where to work at, but it changes the feel and tempo of what's happening in the organisation. It's probably 3A because part of that is I certainly grew up in organisations that largely everyone was in the same city in the same office, so you can bring people together. Now, I know many agencies have never been like that and have been networked, but we in the health department increased our outside Canberra workforce from, I think it come to about 25% now, but a year before, it was about 14%. So, a 10% shift in one year.

And why did we do it? We did it because we said that's where the workforce is. Canberra's a tight labour market. And I think that's a trend that's going to continue. I fundamentally believe the public service will become more spread across the commonwealth, including across the country, including at senior levels. And we're going to have to manage how we work that in terms of cultural integration and the sense of the public service.

KATHERINE JONES PSM:

Great. I'm going to ask one more question than I'll open it up to the audience. You talked a lot about the goal of building strategic policy capability and you talked about some of the uplift that you want to do in the organisation to support people doing that. But I wanted to ask just more broadly about the role of the public service in providing strategic policy advice to ministers and government, particularly in the context where you've got a government with a strong ambitious reform

agenda. How does the public service interact and interject with that?

BLAIR COMLEY:

Yeah. Well, we always service the government of the day and we must always do that. We almost always must respect the fact that the government of day is elected officials, so they have the democratic right to make those decisions. But we should never be passive recipients I think of just what is the latest thing the government precisely wants me to do.

And at a very micro level, I remember years ago working with Peter Costello. It was probably long enough ago; I can talk about it. And Peter was a treasurer, a long-serving treasurer, and he would sometimes say, "What's the answer to this question?" And you'd go, "I'm not going to answer that question. I could answer that question but if I answer that question, I suspect you're going to get in trouble in two questions time in a press conference. What I'm trying to understand is what your fundamental objectives are, and then I'm going to work with you to work out what's the best way of supporting those objectives." So, that's in a micro sense.

In a more macro sense, we as a public service I think have an obligation because we have the time and the capacity to do it, to think through what the bigger directions are. And that will always be buffeted or affected by what the needs of the government of the day are. But if we don't have a clear idea of what true north is, then I think we're not doing our job.

And even the ministers in my experience who have very clear ideas what they want to do, they often get to a point they say, "What should I do next?" And if we haven't got the metaphorical bottom drawer of, what do I do when I get asked, what do I do next? Well, we're not servicing that minister as well as we can.

Now, we must think about their objectives, make sure that's likely to be aligned. We'll be opportunistic when it happens. But look, I think there's a lot of areas of policy where all parts of politics want to have a better health system. They all want to have a better aged care system. Yes, there's bits they divide on, but there's a lot that they would agree on. If we give them decent evidence-based advice, then we increase the chances

of us moving in the right direction on all these things.

KATHERINE JONES PSM:

Great. Okay. Melissa, open it up to you. I didn't have to even invite questions.

MELISSA COADE:

Hi, secretary. Thanks for your talk. Melissa Coade from The Mandarin. I had a question following something that Commissioner Gordon de Brouwer mentioned at a joint parliamentary committee hearing earlier this week. And he was talking about the no blame culture that we need to cultivate among public service leadership. And I note that there's a reference to that phrase in your capability review action plan. So, can you please extend that idea of devolving leadership and how power is held at the top, no risk, or a better risk management to no blame culture as well?

BLAIR COMLEY PSM:

Yeah. So, let me see characteristics of good teams and bad teams I've worked in. I've been very, very lucky in my career. I think I've worked in generally good teams against this test. In good teams when something goes wrong, everyone goes, "Oh, what could have I done to have avoided that?" But not in a way of heaping it on. They think to themselves what I do? In the bad teams, they point at someone and say they did this the wrong way.

And I remember an incident in my career where I arguably got something wrong and someone could have polled on me. Everyone on the team goes, "Oh, did I give Blair as much information as he needed in that circumstance? Did I proactively warn about what's going on?" So, how you respond to that is just, that's what speaks about blame, non-blame makes people take risks.

I'll give you another example. Again, it's a long time ago, but we were doing tax reform. Ken Henry was the division head of tax reform. Russell Campbell was working on the modelling. Not long before we do the deal, Russell uncovers a, let's say it's a half billion-dollar error. And those in the days, half billion was a real amount of money. It was significant.

Russell comes to Paul McCullough, who was my AS at the time. We agree, let's go and talk to Ken. We go to Ken. We've got this half billion. Now, Ken puzzles for a

moment. He goes to Russell. "Now, hold on, hold on, you've got it wrong. The error is a billion." He's up at the whiteboard working it through. No point were any toys thrown out of the cot. And the person said, "What on earth?" He knew that Russell had been working hard. The team had been working hard. Everything had been done together. And then we sat down and worked out how do we solve the problem from here.

Now, Ken to his credit said, "I better go and talk to the treasurer." So, Ken goes to talk to the treasurer and we find a way to solve the problem. So, to me that is the culture you want, which comes down to not that we are flippant about making errors, but errors do occur and then we work out how to fix it.

Now, people make the same error two or three times. That's a different thing, but it's really that sense of being respectful and understanding of the pressure people are under, what the decisions they're making and being in a position where you just work out how do we solve it from here when it hasn't gone 100% right.

I don't want to harp on the MPPs, but to me the question on the MPPs was not who's written this thing. It's what do we have to do in the system of the department to provide the skills and training and provide the clear expectation of what is expected to make this work? I was recently looking at another submission. It was full of 55-word sentences.

Now, I googled a few clear writing guides and the consensus is anything over 20 words starts to get harder for a reader. And so, we've mused with an idea in a non-blame culture way of having a 30-word limit on any sentence. And I've been encouraged to look at carrots before we move to sticks, but I'd love to see our department working in shorter than 30-word sentences.

QUESTION:

Blair, great speech as always. One of the things that's being talked a lot about now is artificial intelligence and automation. They say that the impact of it will be much less than you think this year, but much greater than you think in five years. Where do you see artificial intelligence taking, not just the health department, but the public service in general?

BLAIR COMLEY PSM:

Yeah. It's a great question. And look, the first thing I just want to see is what's discussed at secretary's

board is not necessarily a complete microcosm of what's important across the sector. But AI comes up a lot at the secretary's board. It is a common agenda item. I think it's going to be profound. I think it's going to be genuinely profound.

And the people that I know have dipped into with this a lot are really focusing on what the acceleration rate is. I think someone was calling to me yesterday that if you'd done the equivalent of an IQ test on ChatGPT a year ago, it might've been around the 100 marks, it's now at 155 and is anticipated to be smarter than any human on a crude IQ test not too far away.

So, I think it's going to be profound. And I think it's going to be profound not just in the public service across the workforce. Because this is a disruptive technology that is affecting a group of workers who have genuinely been the massive beneficiaries of technological change with automation, et cetera. And so, the things that you might have been or many of us rewarded for in our career, which has been analytically precise and being able to do repeatable tasks well suddenly doesn't become much of a differentiator or a game changer.

And I think there are positive parts of that which we could be freed up to do the creative stuff and the bit that has an inherently human element to it in terms of understanding the impact on individuals and how it interacts.

So, there'll be massive sensitivities about this, but imagine if you can transform say ministerial correspondence, not in a way that's providing a poorer answer for the community, but that effectively takes what we currently do manually, which is what's the issue there's raised? What's the menu of standard responses? What's the skeleton? And then I tailor it. That skeleton and skeleton before tailoring will be done in a second, freeing them up the other things. So, I think that's profound.

And if I think about the health system, I think about what AI is going to do for service delivery in a very profound way. Now, depending who you talk to, AI can already, if not outperformed at least as well as radiologists and pathologists on some things because

again, it's pattern recognition. And now, we'll tend to do that with AI then assists and then a clinical intervention to make sure there's an overlay. But that's going to potentially transform the way you do some of that medicine.

And the other part of AI and automation is things like my previous life looking at climate and energy systems, what we're doing with things like autonomous vehicles. So, I think it's going to be really, profound. My great instinct is regulation and caution will hold back the deployment of AI, particularly in the public sector because we'll be risk averse and we'll be risk averse because we'll hold AI up to a standard that's well above humans. And I think that's the challenge we're going to have.

So, I think it's going to be profound. I think it will big change over time. I suspect we'll put sand in the wheels, so it'll happen more slowly than otherwise could. I also think that other parts of the private sector, both domestically and internationally will move ahead much more quickly and that will become a real counterpoint to the way we do it in the public service, which we'll have to be careful about.

KATHERINE JONES PSM:

Well, that's a great note to end on and fantastic insights and inspiration I think, for all of us. So, please join me in thanking Blair.