This is no country for an old man. I do not talk of the physical ailments, lapsing memory and minor indignities of ageing, which I presently suffer with moderately good grace. No, these are troubling days to be getting old in more profound ways. It sometimes seems that the world I have known, and which I fondly expected would provide a warm cocoon of supportive familiarity in my declining years, is being torn apart. I am not talking of the technological revolution of bio-genetics, robotics, global communication and artificial intelligence that is casting a future I will not live to see. I understand the challenges, and recognise the inherent dangers of such developments but, in truth, I find them exciting. Applied humanely, they can be forces for enormous public good.

Rather, what perplexes and disheartens me is the apparent threat to the framework of ideas – the economic ambitions, social mores and cultural values – that has given rise to that inventive impulse. In my mind, I remain too much of an economic historian to believe in the human story being one of smooth progress along the tracks of time. The history I read and still (on occasion) write is in large measure a narrative of struggle and conflict, driven by technology, moulded by economic relations and influenced by social customs and religious traditions. I have never subscribed to the unrelenting march of civilization. Yet, in my heart, I have always retained a comforting sense that the world was tending to become a better place. Poverty was declining, living standards rising, health improving and lives lengthening. Most important, I have believed, like Steven Pinker, that The Better Angels of Our Nature (Pinker, 2011) were asserting themselves in the way societies are governed and the manner in which their citizens are free to live their lives in peace and security. It may sound banal, but I had faith in the universality of reason.

Perhaps naively, I imagined that the utilitarian morality that has underpinned my own personal life would gradually extend its ambit, creating a safer, even nobler world. Believing in the power of intellect, I thought that through greater access to education and learning, humanity would become wiser. I supposed that the gradual expansion of enlightenment values would free individuals from the exercise of authoritarian power and tyrannical violence. I looked forward to more civil and respectful societies, in which citizens would accept the personal choices of others as long as they did not infringe on the autonomy and well-being of themselves.

These did not simply represent ideas for me to live by. They were ideas to work for. As a public servant, from my time as founding director of the Office of Multicultural Affairs thirty years ago to my role as NSW Coordinator General for Refugee Resettlement today, I hoped that I could help build a more tolerant and fairer society. I would become a minor footnote to Australian political history. Shaking off my mortal coil I could depart satisfied that, through my modest contributions, I was leaving behind a better world for my granddaughter than that which was bequeathed to me.

This speech, then, might be regarded as a personal reflection on hubris. Perhaps I was mistaken in my eager anticipation of the future. Today I witness the structures of representative and responsible government assailed from all sides. Across the Westminster countries and beyond I perceive declining trust both in democratic institutions and political
leadership; a relentless 24-7 social media that undermines respectful political discourse; the emergence of celebrity-driven populism that seeks to persuade the public that there are simple answers to the wickedly complex problems of public policy to which there are no definitive solutions; and the popular appeal of authoritarian ideologies that challenge the tenets of secular liberal democracy and take psychopathic form in religious fundamentalism, fanatical terrorism and bloody warfare. The global village, which for so long I visualised as a neighbourhood of hope, has become instead a dispiriting place in which too many people find themselves intimidated, frightened and divided. The internet of everything has become, at least in part, the internet of everything bad. An invention founded on a libertarian ethos is now a vehicle for conveying ignorance and fear in real-time.

These are not just the jaundiced views of a grumpy old man. This week, as in past years, I hosted the winners of an essay competition for young people. The redoubtable social researcher, Hugh Mackay, is its patron. Called What Matters? (Sydney Morning Herald, 2016) it is sponsored by The Whitlam Institute within Western Sydney University, of which I am Chancellor. On this occasion there were 3,871 entries and both Hugh and I discerned a darkening mood. At a personal and social level school-children appear to be increasingly concerned about the direction the world is taking. Perhaps their youthful vitality can give rise to optimism on how Australia can meet the challenges they discern. Or perhaps not: the recent poll of students in Australia and New Zealand (Gallup Student Poll, 2016) revealed that only 48% of children in Years 5-12 were hopeful that they possessed the combination of ideas and energy necessary to prepare them for the future.

My own lack of political foresight is borne out by polling. I do not here reference recent electoral outcomes but rather public surveys of perception. This year’s annual Image of Professions report (Roy Morgan, 2016) showed yet again that nurses are deemed by Australians to be the most ethical and honest profession (they were highly regarded by 92% of respondents) and that car salesmen remain firmly anchored at the bottom of public esteem (with a paltry 4% score). Continuing to fall sharply in public respect are Ministers of Religion (now at a record low 35%); and Bank Managers (a dismal 30%). Yet the rankings of even those occupations continue to soar above those of politicians, who have languished in the estimation of their public for years (never rising above 18% over the last 5 years).

Ipsos Research, which was commissioned by The Governance Institute to conduct a statistically robust survey to inform its Ethics Index, reached a similar conclusion (The Mandarin, 2016). Asked to judge the behaviour of a range of occupational and organisational groups, respondents indicated that the charitable, health and education fields were viewed most favourably whereas government received the approbation of few: indeed, that sector was regarded as unethical by 40%. When net scores were calculated by subtracting negative percentages from positive percentages, the results were even starker. Whereas fire services, ambulance services and police were respected (achieving scores of 84, 83 and 54 respectively) local, State and Federal politicians were looked upon with opprobrium (with scores of -20, -33 and -33).

Given the apparent disdain and distrust that Australians exhibit for their political leaders, it is scarcely surprising that the annual Lowy Institute poll (Lowy Institute, 2016) consistently shows relatively low levels of support for the democratic form of government. This disquieting outcome is a challenge to my emotional sensibilities.
For me, democracy represents the form of governance that is most likely to grow and sustain liberal values and encourage positive civic engagement. The process by which citizens can elect those who govern them, protected by a rule of law and informed by a free press, acts as a bulwark against the arbitrary exercise of executive authority. Yet, particularly amongst younger Australians, there is a disturbing level of ambivalence about democracy as a system of government. In 2016, just 61% of respondents believed that democracy was preferable to any other form of government. Amongst 18-29 year olds, however, the situation is more dire: only 54% of those surveyed indicated that democracy was preferable; 14% believed that it did not matter what kind of government that Australia had; and 28% expressed the view that in some circumstances a non-democratic government might be preferable. Although these findings are actually more positive than in previous years, the level of indifference remains worrying for someone who has always assumed that democracy was the apotheosis of hope for the production and transmission of public good.

These are demoralising rather than interesting times in which to live. Yet, to the mighty relief of my audience, I am not wont to despair. Like most of my young essayists I continue to dream that things can get better. After all, I was from early childhood instilled with uncritical enthusiasm to support Portsmouth F.C., a professional soccer club founded on the profits from Brickwoods Beer in 1898. Now languishing in the English Football Association’s Second Division, in 118 seasons Pompey have won the FA Cup only twice, in 1939 and 2008, and the League championship only twice, in 1949 and 1950. As someone who still feels the need to check out how the club has fared on BBC World News first thing every Sunday morning in Canberra, I have little alternative but to believe that hope springs eternal: amidst the gloom there remains the promise of something uplifting. Perhaps it is the triumph of desire over experience.

The challenge is to re-imagine how democratic processes, and the values that underpin them, can be revitalised. My focus is Australia, although the views I express are deeply informed by developments in other Westminster style countries. And my starting point is that element of democratic governance that I understand best, the public service.

Although the role of a permanent, merit-based public administration rarely figures extensively in political textbooks it is, in my view, a cornerstone of democracy. In this I am a traditionalist, steeped in the meritocratic reforms of Sir Stafford Northcote and Sir Charles Trevelyan in 1854. I remain convinced that without a non-partisan and impartial public service willing to serve successive governments with equal commitment, political decision-making is likely to be less well-informed and more poorly executed. Without senior public servants willing to offer frank and fearless advice to Ministers, truth will not be spoken to power on a routine basis. Without a public service that is deeply imbued with a sense of honesty and integrity, formal democratic processes will be undermined by corrupt and nepotistic practices that weaken equality before the law and limit access to opportunity, privileging some interests above others.

Similarly, I have no doubt that democracies are strengthened by having the design and delivery of government programs and services managed by professional public administrators – at least so long as appointed officials never presume that they, rather than elected members, ultimately decide what is in the public interest. The role of public servants is to ensure that whatever resolutions governments reach, they do so with their eyes wide open, fully informed as to the consequences. It is the role of the politicians to make the call.
Public servants are the stewards of public resources across electoral cycles. On behalf of government they collect revenues, draft legislation, implement the regulatory framework and oversee the delivery of publicly-funded payments, services and programs. These roles together frame the implicit contract that exists between a state and its citizens. The officials are publicly accountable for the manner in which democratic governance is delivered. In Australia, that accountability is conveyed through their Minister to Parliament. However, their decisions are subject to wider scrutiny. They are answerable before Parliamentary committees, the Ombud and the Auditor-General. They can be held responsible for their actions through the panoply of administrative review, including the application of Freedom of Information legislation. Their actions are scrutinised by the media.

It is perhaps reassuring, then, that public servants are rather more trusted by the public than the elected officers that they serve. In the Morgan poll public servants are seen as ethical and honest by 39% of respondents, scarcely a ringing endorsement but a figure which is twice the proportion achieved by politicians. In the Ipsos poll State and Federal public servants, unlike politicians, achieved positive net scores (of 16 and 8 respectively). And these figures provide misleadingly conservative underestimates of trust: ambulance paramedics, nurses, doctors, firefighters, police and teachers (all of whom are predominantly employed in the public sector) are viewed far more favourably than public servants generically. Somewhere in the public mind, I hazard a guess, the first image that comes to mind when asked to adjudge a ‘public servant’ is that of a paper-pushing shinybum in a grey cardigan, sitting forlornly at a desk in the Office of Circumlocution, nibbling at his last remaining Iced VoVo.

Of course, that stereotype of the bureaucrat is unfair. In Australia, public servants have instigated successive waves of reform in the last 40 years, often without the intervention and sometimes without the full authority of the governments that they serve. Most jurisdictions have been driven by the impulse to make public administration more efficient and effective, with the intention of providing better services at lower cost. There has been a focus on increasing organisational capacity and leadership capability and instilling a stronger ethos of performance assessment across the sector. The need to strengthen strategic policy advice has been a recurrent motivation. So, too, the requirement to upgrade service quality.

I do not seek to gild the lily. Much remains to be done. My recent report to the Commonwealth government, *Learning from Failure*, (Shergold, 2016) was scathing in its criticisms. Among other things I highlighted the need to significantly enhance program and risk management. Such workforce improvements are important. I support measures to achieve them. But they do not lie at the centre of my address. My ambitions this evening are more grandiose.

What interests me, now that I am largely liberated from the day-to-day management of public policy, is how the institution of public service can be re-imagined. How, I wonder, can a civil service help to revitalise a civil society? I have recently come to employ the nomenclature, ‘adaptive governance’. That term envisages a more agile form of public administration, exhibiting greater flexibility to respond to changing circumstances and a stronger willingness by government to experiment (and even fail) in pursuit of its goals.

Adaptive government requires political leadership able to construct a coherent narrative of governmental aspirations and to explain to the public how difficult they will be to achieve. But it also depends, in fundamental ways, on the capacity of public officials to master the
leadership of facilitation. Public servants will continue to sit at the centre of decision-making. That presents them with the opportunity to exercise their position of situational authority so as to undertake the business of government quite differently. They can shoulder their responsibilities in ways that not only provide greater public value but, more importantly, can also strengthen participatory democracy and the ethos upon which it is founded. By their actions and behaviours they can change perceptions of the relationship that prevails between the state and the public (collectively) and its citizens (individually). Placed at the hub of governance, they can pivot direction towards a more hopeful future.

How can that happen? In my view, the challenge is to look at the disparate changes that are already underway in all three tiers of government and imagine how those initiatives might be expanded and connected. New ways of transacting the business of government are already being demonstrated, but far too often they remain at the periphery of public administration. Reforms need to be undertaken in a more systematic and holistic manner, driven by the goal of placing the citizen firmly at the centre of the political stage. They need to be pursued with visionary boldness.

What are those changes? Well, five innovations, pursued concurrently, have the potential to transform participatory democracy.

First, government – through their public services – should be willing to commission the implementation of their ambitions. I purposefully do not use the term ‘outsource’. The facilitative task is to find which modes of delivery (public, private or community) are most likely to be effective, assessed not just on the basis of cost but on the public value that is created. Nor do I employ the traditional language of ‘contract’. If a decision is made to place responsibility for undertaking government business in the hands of third-party agents it should be on the basis of negotiated outcomes. The contract should then be written to capture agreement on the ways in which success will be measured and how payments will be awarded on performance against approved metrics.

In many instances a diversity of providers should be funded, offering citizens choice in selecting the organisation which best meets their expectations. Instead of trying to control administrative processes so that all deliverers are required to operate to the same prescriptive rules, public servants should actively encourage them to be innovative in finding new ways to improve the service that they offer to citizens. The purpose should not be simply to manage a legal agreement but to facilitate a relationship in which all parties recognise that they share a common interest in the execution of government policies. If a decision is made to retain program delivery within a public service agency, front-line staff should be empowered to wield greater autonomy in how they go about achieving the outcomes required. Citizens, with their balance of rights and responsibilities, are far more than ‘customers’, but they should expect to receive at least the same level of service as they experience when they purchase goods and services in the private market.

Second, public servants – on behalf of the governments they serve – should collaborate. I do not talk here merely of the need to coordinate activities across and between the structural silos and jurisdictional demarcations of bureaucratic territoriality. Rather my emphasis is on building genuine partnerships across sectors. Private and community organisations should not just be consulted or contracted. Rather they should be recognised as the empirical basis for experience-based policy. A facilitative public service can involve those outside the government sector in planning. It can enable businesses and community groups to bring
their distinctive perspectives to the task of pinpointing problems, seeking solutions, identifying risks and resolving how they might be managed. Through cross-sectoral collaboration public servants can co-design both with for-profit and not-for-profit organisations how best to meet the objectives set by government. Better still, they can through their joint efforts seek to influence government on how those public policy goals are established. Collaboration, just as much as staff exchanges, can help make the borders of public service more porous. It is likely that from a diversity of perspectives new ideas will emerge.

Third, through the facilitative leadership of their public servants, government beneficiaries can be afforded far greater authority over the services that are funded to meet their needs. The term used to describe this new attitude (which is progressively being rolled out in the areas of disability services and aged support) is ‘consumer-directed care’. I prefer a more radical formulation, ‘citizens-in-control’. If this approach is implemented with conviction, those who require support can be assisted to set their own priorities, manage their own publicly-funded budgets and choose their own providers in a contestable market. There is no reason why this philosophy of empowerment cannot be extended to other areas such as health, mental illness, education or training. The great advantage is that people who, as recipients and beneficiaries, have found themselves placed in a position of dependency, are empowered (if they wish) to take greater control over their lives. Instead of learning helplessness from their relationship to government, they can instead become active participants in making decisions on the public support that they need. For me, the leap of imagination is to recognise that all Australians are expert in their own lives. Public servants often fail to appreciate, for example, that the most reliable source of evidence on why single mothers often resist returning to the workforce is single mothers themselves, or that the best people to make difficult decisions on how to address chronic health issues are informed patients. Thankfully, there are exciting initiatives underway which not only recognise that fundamental truth but see it as an opportunity to engage citizens in delivering government. A program called Family by Family, designed in the community sector, seeks to provide support for troubled families in unexpected ways (The Australian Centre for Social Innovation, 2016). It identifies families who have experienced but survived hard times and trains them to extend a helping hand to other families who face similar challenges. Public servants provide support but they do not tell families what they need to change. It is recognised that everyone’s goals are different, whether it is to be better parents, to manage a family budget, to get a job or to make friends. The approach is now being trialled in Adelaide (South Australia) and Mt Druitt (NSW). Whilst the program is financially supported by governments because of its potential to reduce the costs of welfare dependency, the paths to greater self-reliance are based on the largely voluntary engagement of citizens, solving their own problems together.

Fourth, public servants have the potential to facilitate the creation of social investment in public good. Rather than simply engaging the private and community sectors in the design and delivery of government services, governments can also attract additional funding to trial innovative new approaches. There are a variety of ways in which governments can assist individuals and businesses to fund social, cultural or environmental outcomes. The objective is not just to encourage traditional philanthropists or company-based corporate school responsibility programs, but to provide support to ethical investors who seek the ‘shared value’ of both social and financial returns. They can ensure that the tax and regulatory
regimes are supportive. More proactively, they can intervene to stimulate the pooling of funds for public purpose or open up opportunities for investment in public benefit.

One financial instrument to emerge in recent years is the social impact bond, or, in NSW (where the second stage of an extended trial is already underway) a social benefit bond (NSW Office of Social Impact Investment, 2016). It was an idea I rigorously advocated when I was the head of the Centre for Social Impact. In essence the government establishes the outcomes that it wishes to achieve (such as a reduction in the incidence of children having to be placed in out-of-home care, lower levels of prison recidivism or more social housing); a social enterprise designs its own program to achieve that objective; and funding to support the initiative is garnered from the private sector. If the program successfully meets negotiated outcomes against benchmarks, the not-for-profit organisation is paid a performance-based fee by government. This payment can be used to provide investors with an agreed return and allow the enterprise to retain a proportion of earnings with which to scale up the initiative. Whilst government is effectively able to transfer risk to a third-party, the arrangement provides an opportunity for the venture to fund its social entrepreneurship, uninhibited by government red tape. Government becomes more participatory. Additional public value is created through the harnessing of impact investment.

Fifth, the public service can facilitate greater direct engagement with citizens in ways which demonstrate participatory democracy at work. New approaches can be found to allow citizens to find a voice beyond traditional political advocacy. In Australia, the newDemocracy Foundation (which both Geoff Gallop and I support) is actively trialling new forms of citizens’ juries or conventions (newDemocracy, 2016). In essence, randomly selected citizens are provided with the necessary information to make decisions on public policy and allowed to work through often complex issues in deliberative fashion. The process can provide a mechanism for governments to engage public judgement rather than simply responding to public opinion through the traditional mechanisms of polling, community consultation and focus groups.

A number of demonstration projects of jury-based approaches are now underway, ranging from an assessment of the nuclear fuel cycle in South Australia to the development of new forms of local governance structure in Geelong. By involving citizens in the process of policy formation, it may be possible to identify an informed general will. At the least it is likely to foster a stronger culture of listening among lawmakers and public servants. Perhaps, it has recently been suggested, we need a specialised agency that can facilitate regular citizen engagement in policymaking? (van Ham, et al, 2016).

There also exists the opportunity to employ digital democracy. Traditionally the application of information and communications technology has been focussed on allowing the public to access government information or undertake relatively simply transactions. Of course everyone who needs to use government services should be able to find what they need to get their business done quickly and easily. That, however, is a relatively unambitious goal. It is true that the more extravagant hopes for the revolutionary potential of e-democracy have been repeatedly dashed, and it is increasingly apparent that social media can be as easily employed by authoritarian governments as it can by the people they oppress. Yet I still believe, despite my gloomy pessimism, that the freedom to connect can be just as powerful a force for good as the freedom of assembly. Australia has a strong base on which to build.
The 2016 UN rankings just released indicate that our nation is ranked second in the world on the e-government index (UN, 2016).

Our ambition should now be to lead the world in e-decision-making. I would like to believe that the far-reaching power of the virtual world can be employed to actively engage citizens in exercising influence in the real world. As a first step, the public service can find creative ways to intermediate online public participation in governance through consultative webinars, or wikis that allow collaborative modification of content. The key in building digital communities of practice is to ensure that citizens can engage on their own terms, able to put forward their own proposals whilst evaluating the suggestions of others on an iterative basis. This works best when the questions asked are specific enough for citizens to respond in concrete terms on the basis of personal experience: how, for instance, can Sydney’s night-time economy be improved; how can the job-brokering employment services offered by jobactive be enhanced; or what are the major problems in getting overseas qualifications recognised?

We need to imagine how digital services can create ‘radical legibility’ in which policy processes can be “as open and public as possible so people can literally ‘read’ what’s going on and have half a chance of understanding it” (Stewart-Weeks, 2016). This much is certain: technology is not a panacea. If existing government practices are simply transferred to the digital world, the exciting potential for the internet to promote democratic pluralism will remain unfulfilled. Traditions of representative and responsible government will be challenged by the idea that citizens can remain continuously engaged with the democratic process: to use real-time communications to engage citizens in collective decision-making and problem-solving will entail a radical overhaul of the modern administrative state. I think that’s a good thing.

My speech – as so often my working life – has moved from a position of troubled pessimism to cautious optimism. Secular liberal democracies are under challenge, both from external authoritarianism and internal apathy. Our response cannot be half-hearted. It is entirely possible, on the basis of what already exists, to contemplate the creation of a revitalised form of democratic government in which citizens can be active participants in the policies which affect them. They can be given the opportunity to co-produce the public policy which governs their lives. Through greater engagement a more civil society can emerge.

The public service is crucial to this ambition. It is possible to contemplate not simply the improvement of the public sector but the creation of a ‘public economy’, involving all sectors of society working together in a variety of facilitated partnerships. This is not a neoliberal agenda imposed by stealth. I do not support a ‘contract state’ in which government service provision has been privatised or a ‘constrained democracy’ in which the community sector has been co-opted by dependence on government funding. It’s driven not by an ethos of economic rationalisation but by the goal of political participation. The objective is to create an engaged national citizen public, in which a civil sense of place is strengthened by inclusivity and openness. It is a plea for more substantive involvement of business and community organisations and for the active participation of individual citizens in the creation of public value. Imagine. As someone of my generation once said, “it’s easy if you try.”
Endnote
This is the edited text of a speech presented to the Australian Social Policy Association at a Sydney Ideas Forum at the University of Sydney, 4 August 2016.

References