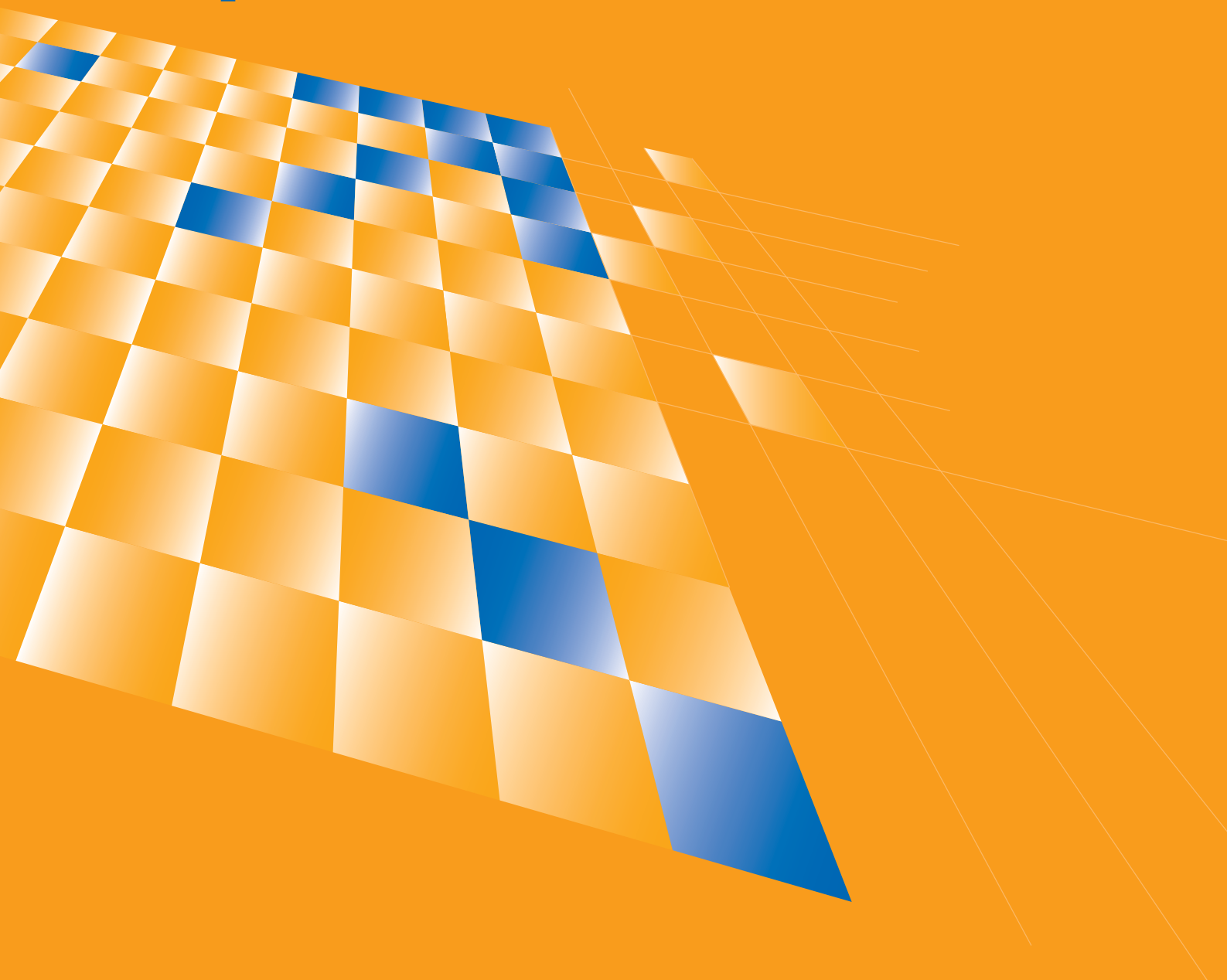


the future of the public sector in 2025



about the State Services Authority

The Victorian Government has vested the State Services Authority with functions designed to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Authority are to:

- Identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards;
- Promote high standards of integrity and conduct in the public sector;
- Strengthen the professionalism and adaptability of the public sector; and
- Promote high standards of governance, accountability and performance for public entities.

The Authority seeks to achieve its charter by working closely and collaboratively with public sector departments and agencies.

contact us

Email: info@ssa.vic.gov.au

Phone: (03) 9651 1321

Fax: (03) 9651 1883

www.ssa.vic.gov.au

Postal Address:
3 Treasury Place
Melbourne 3002

contents

| | |
|--|----|
| foreword | 3 |
| our approach | 5 |
| the Victorian public sector today | 9 |
| interviews with public service leaders | 10 |
| drivers of change in the public sector environment | 13 |
| public administration trends | 22 |
| international perspectives | 27 |
| future scenarios | 30 |
| future issues and challenges for the public sector | 35 |
| appendix one: participant list | 38 |
| appendix two: references | 40 |



foreword

What will shape the future of the public sector in Victoria? The State Services Authority's project – *The Future of the Public Sector in 2025* – is an exploration of the key trends and drivers that will shape the future ways in which Victorians live and work. It asks the question *what if?* – *what if* the long economic boom comes to an end? – *what if* there is a shift in geopolitical power? – *what if* our social identity centres increasingly on the individual or on the community? – *what if...?*

The future is undoubtedly uncertain and unpredictable. There is no single clear path from the present to the future. Rather, the future of the public sector will be determined by a complex array of interconnected drivers. The ways in which these drivers might be expected to play out varies from the predictable (population ageing) to the unforeseeable (natural disaster).

An agile and adaptive Victorian public sector is critical to effective policy development and program delivery. While the public sector can influence some elements in its operating environment, it also needs to be able to meet the challenges and respond to the opportunities presented by internal and external change.

This report sets out the State Services Authority's exploration of key issues affecting the future of the public sector.

"The future is uncertain ... but this uncertainty is at the very heart of human creativity."

**Ilya Prigogine,
1977 Nobel
Prize winner for
chemistry**



our approach

scenario planning

When thinking about the future, it is easy to focus on the events that are considered likely to happen rather than consider a wider range of possibilities. The further away decision making moves from the present day, the greater the opportunities for unforeseen events to arise.

Scenario planning was therefore used as the primary methodology for the project to enable a longer term perspective. Scenario planning is a tool for ordering our perceptions about possible alternative futures. It recognises that the future is uncertain and provides a framework to explore how such uncertainty might play out.

Scenario planning does not predict the future. It recognises that the future is not at the end of a trend line stretched to a specified date. It acknowledges that trends can be disrupted by external events such as the emergence of new technologies.

Scenario planning combines factual research with insights from key personnel. These elements are then developed into scenario logics, which overlay multiple drivers of change and form the basis for the creation of narratives.

The scenario narratives are a set of stories about possible futures. They are useful for their demonstration of the breadth of uncertainty that the public sector confronts. More importantly, they provide a framework to conduct strategic conversations about the elements with the potential to shape the future of the public sector.

setting the objectives

The objectives of our approach were to:

- Develop an understanding of the drivers of change and key issues in the public sector environment;
- Create potential scenarios for the Victorian public sector in 2025; and
- Assess the strategic challenges and opportunities for the public sector.

The year 2025 was selected as the focus of the project because it was sufficiently far removed from medium-term planning cycles but not so far away that the future would be inconceivable.

“Scenarios deal with two worlds: the world of facts and the world of perceptions ... their purpose is to gather and transform information of potential strategic significance into fresh perceptions which then lead to strategic insights that were previously beyond the mind’s reach.”

Pierre Wack,
scenario planning
founder at Royal
Dutch/Shell

“Scenarios are a tool for helping us to take a long view in a world of great uncertainty.”

Peter Schwartz,
author of
The Art of the
Long View

■ Engaging with a cross section of the VPS and related agencies brought a diverse skill set to the project. It provided those involved in the project with the opportunity to work together in a multi-disciplinary environment.

developing the ideas

The State Services Authority worked collaboratively with individuals from across the public service and related agencies to explore ideas about the future. The following departments and agencies participated in the project:

- Department of Education and Training
- Department of Human Services
- Department of Infrastructure
- Department of Innovation, Industry and Regional Development
- Department of Justice
- Department of Premier and Cabinet
- Department of Primary Industries
- Department of Sustainability and Environment
- Department of Treasury and Finance
- Department for Victorian Communities
- Country Fire Authority
- The Arts Centre
- Victoria Police
- Victorian State Emergency Services

Project participants spanned all levels, from Secretaries to recent graduate recruits. They held diverse work roles encompassing policy, strategy, program delivery, legislation and corporate management. They came from urban and rural environments with experience in health, education, policing and enforcement, emergency services, family services, community enterprise, treasury, infrastructure, industry development, science and the arts. The participants in the project are listed at Appendix One.

Diversity was a specific objective in participant composition. People were invited to take part as individuals rather than as representatives of their organisations. This enabled them to engage openly and imaginatively without having to represent the interests of a particular portfolio.

In undertaking the project, the State Services Authority worked with the Neville Freeman Agency, a futures thinking and scenario planning consultancy.

our process

The project comprised three stages:

- Interviews with public service leaders
- Desktop research on future trends and issues
- Workshops

interviews with public service leaders

The project began with a series of interviews at Secretary/Deputy Secretary level in each Victorian Public Service department. The interviews centred on concerns and aspirations that public service leaders have about the future.

The interviews probed the key issues that confront the public sector today and those for which the future is especially uncertain. They considered prospects for the future as well as the major motivators for change and constraints against change. They also explored how drivers external to the public sector shape the ways in which the sector works.

Interview discussions ranged from some of the most pressing policy issues the public sector faces in areas such as health, education and the environment to challenges in building the systems and skills required to deliver future government policies and programs.

A summary of the interviews and a list of interviewees are included in the following chapter of this report.

desktop research: thought starters

The project team conducted desktop research on future trends and issues. This research drew on material from a wide range of secondary sources, exploring global, national and regional issues.

The research outcomes were compiled into a set of *thought starters*. These were distributed to workshop participants and used to provoke discussion and debate about the major influences in the public sector's operating environment. The *thought starters* explored a range of key drivers in natural, social, political, public administration, economic and technological environments. Drivers varied widely, from climate change to changing household dynamics, from geopolitics to consumer culture, and from biotechnology to urbanisation.

workshops: developing scenarios for the future

The State Services Authority hosted a series of three workshops facilitated by the Neville Freeman Agency. These workshops were conducted over five days between February and April 2006.

the INSPECT approach to the thought starters and research

- I** – Issues
- N** – Nature
- S** – Society
- P** – Politics and public administration
- E** – Economy
- C** – Culture
- T** – Technology

sources of information

A wide range of reference materials were used to prepare the *thought starters*. They included books; journals; papers from government, think tanks and academia; media articles; websites and blogs. A complete reference list is included in this report at Appendix Two.

workshop one (2 days)

focus

Direction setting through an examination of key influences in public sector environments.

approach

Presentations from experts and commentators and hands-on activities to develop framing questions and prioritise core drivers.

workshop two (2 days)

focus

Developing scenario outlines.

approach

Hands-on activities to draw systemic links between drivers and begin establishing narratives.

workshop three (1 day)

focus

Examining strategic implications of possible futures.

approach

Group-based strategic conversations about key issues, opportunities and challenges for the public sector in possible future environments.

The first workshop introduced over 60 participants to scenario planning and explored a wide range of future issues, building on the material developed from the interviews and *thought starters*. It included panel discussions with external commentators and featured a facilitated conversation with Professor Mark Moore from Harvard University's Kennedy School of Government.

Thirty participants returned for the remaining workshops to pursue a more creative approach to thinking about the future using scenario planning and narrative. Participants mapped the systemic connection between drivers of change across the INSPECT categories and then used these to create the core features of a series of 'scenario worlds'. They examined the strategic implications of these worlds for the public sector, exploring the challenges and opportunities the public sector confronts today that could play out in possible futures.

the Victorian public sector today

The public sector supports the Government to serve the Victorian people. The sector has many functions including providing services to the public, supporting Ministers to develop and implement policies, building and maintaining physical and social infrastructure, managing resources, and administering State finances. It operates across several key domains including:

- Health and community services
- Education
- Law and order
- Infrastructure
- Environment
- Industry development.

The public sector comprises over 4,500 public sector bodies, including 10 departments, 14 authorities and offices, and a diverse range of public entities. Some of the more visible public services that are funded, delivered or regulated by the sector on behalf of the State Government include public hospitals, schools and TAFE institutes, family and community services, police and emergency services, courts and corrections, major roads, and public transport. The sector also oversees:

- Revenue management – such as taxation, subsidies and levies;
- Regulatory functions – such as consumer protection and food safety regulation;
- Asset management – such as national parks, state forests, water catchments, public land and major public buildings;
- Technical and scientific functions – such as research to support the agricultural industry; and
- Management of major cultural institutions and events – such as the National Gallery of Victoria, Melbourne Museum, Botanical Gardens, 2006 Commonwealth Games and Australian Grand Prix.

More than 228,000 people work in the Victorian public sector, comprising nine per cent of the State's total workforce. They come from over 200 occupational groups ranging from teachers to nurses, police officers, managers, clerks, lawyers, accountants, business analysts, engineers, scientists, social workers, veterinarians, and foresters.

One of the most notable features of the public sector workforce is that it is highly feminised. Sixty five per cent of the public sector workforce is female, with a high proportion of women working in some of the major areas of service delivery such as health (77 per cent women) and education (71 per cent women).

Approximately 33 per cent of public sector employees are between 45 and 54 years of age. In 2025, this cohort of employees will have passed retirement age and be replaced by those who are currently 25 to 34 years of age. This group, currently comprising 22 per cent of the public sector workforce, is significantly less than the existing 45-54 year-old cohort.

snapshot of the public sector

- Employs over 228,000 people from over 200 occupational groups
- \$29 billion annual budget
- Public sector employees comprise 9% of the Victorian workforce and 2% of the national labour force
- Over 80% of all public entities fall within the portfolios of Education, Human Services and Sustainability and Environment

interviews with public service leaders

In December 2005, 14 public service leaders at Secretary or Deputy Secretary level were interviewed about their views on the future of the public sector. Interviewees came from all Victorian Public Service departments. The interviews were a first step for the project towards understanding a range of issues in public administration and how they are affected by shifts in the external environment. A summary of interview discussions is outlined below.

the most important issue in 2025

Each interviewee was asked to identify one question they would ask the Oracle about the most important issue facing the public sector in 2025. Most people focused on the alignment of public sector activity with a broad range of shifts in global, regional, national, state and local environments. They asked:

- Who will prevail in geopolitics and how will borders be defined?
- What is the future of Southeast Asian politics and trade, particularly in countries that are currently showing signs of instability?
- How will the public sector and its workforce serve the national interest and how much will government be willing to invest in it?
- What will be the service delivery roles for public, private and community agencies as well as the respective roles and relationships between the tiers of government?
- How will the public sector build the capacity and skills to handle increasingly complex social, economic and environmental issues?
- How will the public sector remain relevant, what will it be doing and how will it be doing it?

critical issues in 2006

Interviewees were asked to identify the critical issues that the public sector confronts today. While the responses to the question about the most important issues in 2025 elicited far-reaching responses into international and global matters, responses to this question were centred closer to home. They fell broadly into two categories: major policy issues; and challenges for the ways in which public administration is conducted.

Critical policy issues that the public sector confronts today include:

- Making Victoria environmentally sustainable;
- Improving vocational education and training and ensuring that all students, particularly those in government schools, receive a high quality education;
- Responding to increasing healthcare demands;
- Addressing population ageing and its consequences, particularly for health and workforce participation; and
- Maintaining economic growth.

Current challenges in public administration identified by interviewees included:

- Building citizens' trust in public institutions;
- Overcoming constraints and inflexibility in administrative systems to establish more agile and adaptive responses;
- Operating effectively across tiers of government;
- Developing the relationships and skills required to work across public, private and community sectors;
- Building and applying a stronger evidence-base to public administration;
- Breaking down 'silo' approaches to whole of government issues;
- Meeting citizens' expectations for service choice and integration;
- Ensuring accountability in an environment of service privatisation; and
- Attracting a bright and dynamic workforce with the skills needed for the future.

motivations for change and constraints against change

Interviewees discussed the factors that could motivate change in the public sector and the factors that could work against change. They noted that the public sector will continue to develop and change, potentially motivated by:

- Competitiveness and a drive to maintain Victoria's position as one of the most liveable places in the world;
- Community expectations for a high standard of living;
- Politics and the decisions of government;
- New opportunities presented by technological developments;
- Changing expectations and demands of a new generation of public sector employees; and
- Crises affecting the environment, health or security that force the public sector to make sudden change.

Interviewees recognised the public sector's important role to champion desirable changes to shape the future. They identified potential constraints that the sector will need to guard against or overcome so that it can drive change. They noted that the sector will need to facilitate:

- Further development of productive relationships between the tiers of government;
- Reductions in rigid and inflexible systems and processes;
- A shift away from risk aversion to risk management, enabling bold decision making;
- Planned approaches to potential economic slow down; and
- Development of community support for change.

interviewees

Roles and organisations are as at the time of the interviews.

| name | role | organisation |
|---------------------|--|---|
| David Adams | Executive Director, Strategic Policy and Research | Department for Victorian Communities |
| Alan Clayton | Executive Director, Police, Emergency Services and Corrections | Department of Justice |
| Karen Cleave | Chief Operating Officer | State Services Authority |
| Peter Dawkins | Deputy Secretary, Economic and Financial Policy | Department of Treasury and Finance |
| Patricia Faulkner | Secretary | Department of Human Services |
| David Hanna | Chief Executive Officer, Innovation and Economy Advisory Board | Department of Innovation, Industry and Regional Development |
| Peter Harmsworth | Chairman and Chief Executive Officer | State Services Authority |
| Peter Harris | Secretary | Department of Primary Industries |
| Katherine Henderson | Deputy Secretary, Office of Strategy and Review | Department of Education and Training |
| Sue Jaquinot | Deputy Secretary, Resources and Regional Services | Department of Sustainability and Environment |
| Terry Moran | Secretary | Department of Premier and Cabinet |
| Lyndsay Neilson | Secretary | Department of Sustainability and Environment |
| Howard Ronaldson | Secretary | Department of Infrastructure |
| Greg Vines | Public Sector Standards Commissioner | State Services Authority |

drivers of change in the public sector environment

Change in the external environment plays a significant role in shaping the operations of public institutions. Project participants identified over 800 issues and drivers of change with the potential to affect the public sector operating environment. These have been categorised into a set of 'top eight' drivers, which are outlined below.

demography

Victoria's population is projected to increase at an average rate of 0.9 per cent each year from 4.8 million in 2001 to 6.0 million in 2025. Despite Victoria's population increase, Queensland is expected to overtake Victoria as the nation's second most populous state by 2041.

Victoria's average population profile is ageing, owing to low fertility rates and the ageing of the large cohort of Baby Boomers who are currently beginning to reach 60 years of age. The proportion of people aged 65 years or over is expected to increase from 13.0 per cent in 2001 to 20.6 per cent by 2025.

Regional Victoria is ageing faster than Melbourne, with 31.7 per cent of the population of regional Victoria currently aged over 50 years, compared with 28 per cent in Melbourne. Melbourne attracts a greater proportion of young migrants from overseas. Similarly, young people from rural Victoria migrate to Melbourne in search of education, work and different life experiences, leaving behind a large proportion of older residents. In general, few of these young people return.

Population ageing raises significant future issues for the public sector in the areas of:

- **Health** – health costs increase significantly with age, with costs at their highest in the last years of life.
- **Workforce participation** – from 2010 the proportion of Victorians of working age is expected to begin declining. Victoria is already beginning to see skill shortages emerging in fields such as engineering, construction, metal and wood trades, chefs, and some health professions.
- **Retirement savings** – in 2002, there were 5.1 people of working age for each pensioner, but by 2030 this ratio is expected to fall to just 2.7 people. Workers will need to secure sufficient saving to support their retirement and avoid a decline in living standards.

Demographic trends are also showing a shift in household dynamics. This can be expected to affect social infrastructure planning and delivery requirements. Households are getting smaller with fewer households including children. In 2001, the largest household-type consisted of a couple with children. However, divorce rates are high at 33 per cent, and between 1986 and 2001, the incidence of single-parent families increased by 53 percent. Nevertheless it is single person households followed by couple households without children that are expected to become the most prevalent type in the coming decades.

key trends

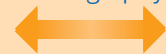
- Victoria's population is growing.
- Victoria's population is ageing.
- The proportion of Victorians of working age is expected to begin declining in 2010.
- Regional Victoria is ageing faster than Melbourne.
- Victorian households are becoming smaller.

implications for the public sector

- Managing the health costs of an ageing population.
- Increasing workforce participation.
- Matching physical and social infrastructure with population shifts and changes in household dynamics.

driver continuum

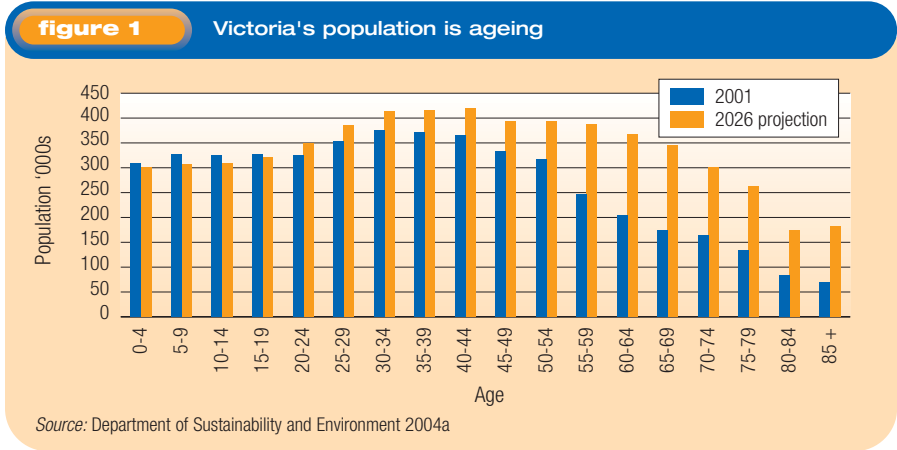
Demography



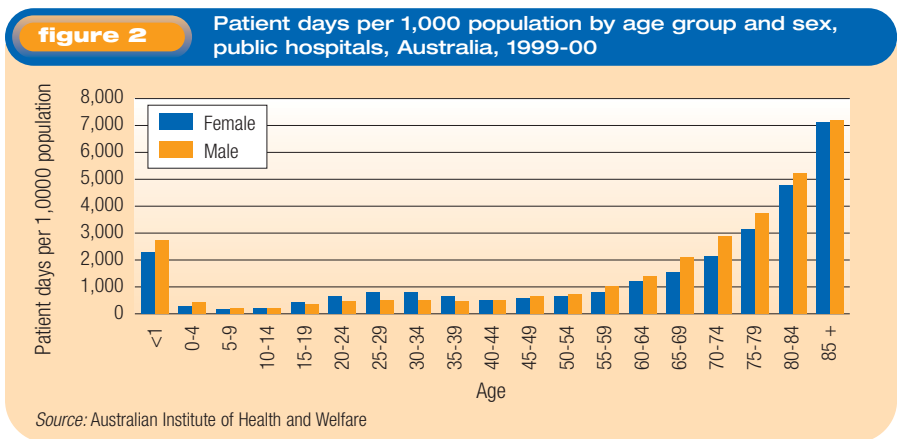
Current trends are disrupted

Current trends continue

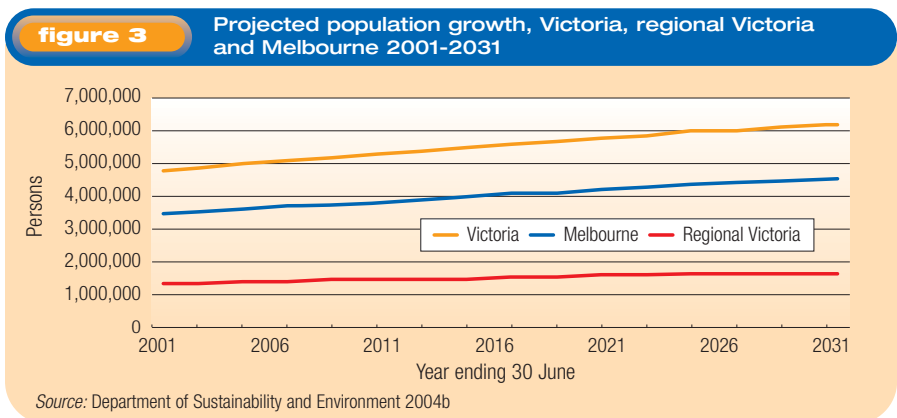
Victoria's demographic profile projections to 2025



Health costs increase significantly with age



Melbourne's population is projected to grow at a faster rate than regional Victoria's



economy

Victoria's economy continues to record steady economic growth, low unemployment and relatively subdued inflation. The short-term outlook for the Victorian economy remains sound.

Victoria's strong economy is underpinned by its key industries. Service industries are dominated by property and business; finance and insurance; and health and community services. Victoria produces almost a quarter of Australia's total rural output and its natural resources include large deposits of brown coal and oil and natural gas fields in the Gippsland Basin. Victoria's largest industry, manufacturing, is varied and includes food processing, automotive, textiles, wood and paper products and petrochemicals.

Economic reforms, within Australia and internationally, have seen the Victorian economy operating in an increasingly globally competitive environment. This has resulted in expanded export opportunities for some Victorian businesses, particularly from the growing Asian economies, whilst others have had to respond to low-cost international competition.

Victoria's economic growth has been particularly strong in light of the State's lack of mineral resources. Growth in 2006-07 is expected to be in line with the national average. However possible risks to Victoria's economic outlook include shifts in interest rates, the Australian dollar and the price of crude oil. In addition, a strong labour market, and potential skilled labour shortages, could contribute to higher wages and interest rates.

key trends

- The Victorian economy is growing steadily. It has been particularly strong in light of the State's lack of mineral resources.
- Unemployment rates are low.
- The Victorian economy is exposed to internationally competitive markets.

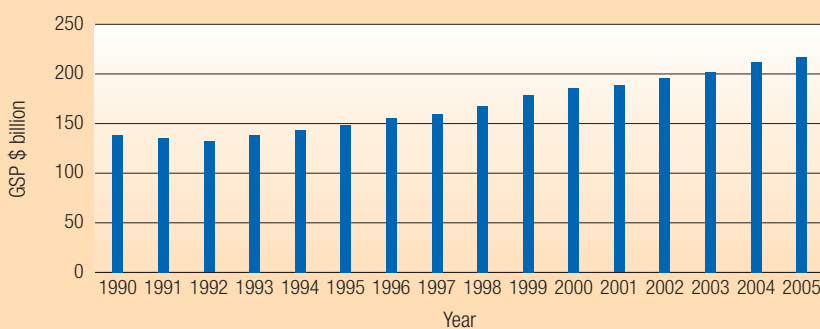
implications for the public sector

- The economy determines the State's capacity to generate revenue for providing services and infrastructure.

driver continuum

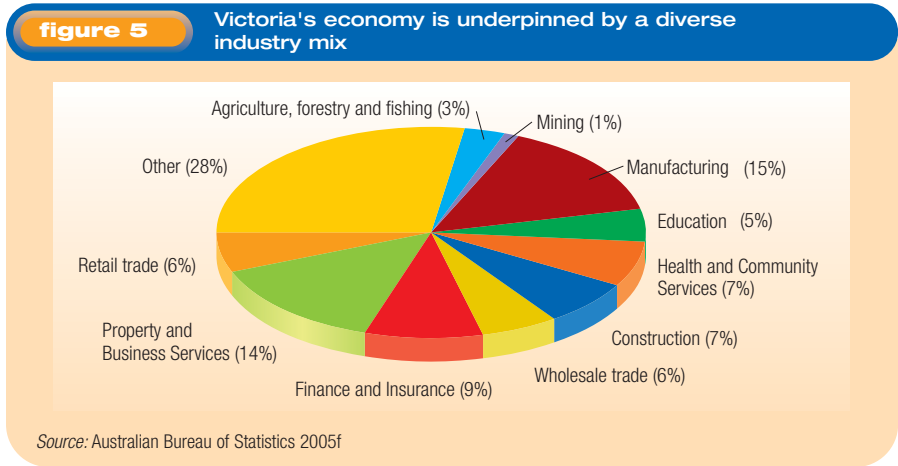


figure 4 Victoria's Gross State Product is growing



Source: Australian Bureau of Statistics 2005e

The strength of the economy drives the State's capacity to generate revenue for providing services and infrastructure. It also determines the capacity of individuals to provide for their own needs. Demand pressures for government services can be expected to become more acute if the economy stagnates or declines.



key trends

- Increase in part-time and casual employment.

implications for the public sector

- Supporting development and implementation of work/life balance policies.
- Providing affordable and high quality carer support.



the work environment

The past two decades have seen changes in the nature of employment. One of the most significant trends has been the increase in part-time work. Between 1985 and 2005, part-time employment has accounted for half the growth in male employment and two-thirds of the growth in female employment in Victoria. Rates of female part-time employment significantly exceed those for men. Casual employment has also increased over the last 20 years due in part to the growth in service industries.

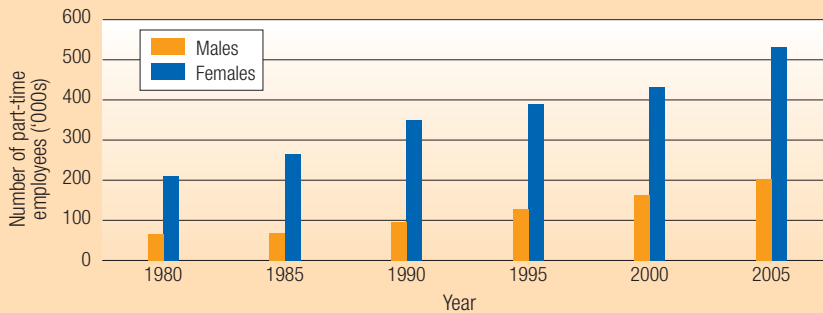
Australians are working longer hours than ever before. Almost one-third of full-time Australian employees work more than 48 hours a week and a third of these individuals work in excess of 60 hours a week. Australia currently has one of the highest proportions of employees working long hours in the OECD. Males are more likely to work longer hours. In 1985, 32.8 per cent of Victorian males worked more than 40 hours per week. Today, 38.3 per cent are working in excess of 40 hours.

Long working hours are driving the need for a healthy work/life balance. Many employees experience considerable stress resulting from difficulty in balancing work and family commitments. Almost half of all working Victorians care for dependant children or other family members. However fewer than one in ten enterprise agreements contain family friendly measures such as paid personal leave, paid parental leave and job sharing. In 2002, 22 per cent of Victorian workers took time off work to care for a sick family member and 42 per cent took time off to attend to personal matters.

Parents of young children, particularly working mothers, find work/life balance particularly challenging. Financial imperatives often force mothers back to work sooner than many would prefer. Many mothers are dissatisfied with their working hours. Difficulties in securing affordable and high quality childcare can exacerbate such problems. Similarly, access to care for people who look after an adult family

figure 6

Part-time employment in Victoria is growing, particularly for women



Source: Australian Bureau of Statistics 2006b

member, such as a partner or elderly parent, shapes the capacity of a growing number of individuals to participate in the workforce.

Research demonstrates progress in the Victorian public sector's pursuit of work/life balance in areas such as part-time options, flexible work hours, support for caring responsibilities, other support, and information and training. However, demographic and labour market dynamics mean that such measures will become increasingly important.

energy and climate change

Climate change and environmental sustainability are no longer peripheral concerns but are now moving to the forefront of public and government consciousness.

The year 2005 was Australia's hottest since records began in 1910, with the mean temperature rising over 1°C above the 1961-1990 average. The Bureau of Meteorology warns that this is a sign that our climate is changing. Future projections to 2020 for temperature increases range between 0.3 °C and 1.6 °C in North and Eastern Victoria and between 0.2 and 1.4 °C in Southern Victoria.

Climate change can make environments vulnerable to changes in rainfall patterns; changes in the frequency and duration of extreme weather such as heavy rain, drought and floods; sea level rise; and changes in distribution ranges for native animals, plants, weeds, pests and vector borne diseases.

Extreme weather is a particular concern in Victoria, which is the world's most fire-prone region. The CSIRO predicts that climate change will increase the number of days in Victoria of very high to extreme fire danger by 20 percent over the next two decades.

The potential for extreme weather induced by climate change also poses risks to Victoria's water supply. Erratic rainfall, drought and contamination of water tables by sea level rise could place particular strain on our agriculture, biodiversity and essential service infrastructure. With Victoria accounting for a quarter of Australia's rural output, the impact of potential climate change on the economy could be significant.

Concerns about climate change have led other nations to sign the Kyoto Protocol on climate change. Although Australia is not a signatory to the Protocol, international pressure to reduce greenhouse gas emissions is expected to persist

key trends

- There is increasing consensus that climate change is a critical issue.
- Victoria is heavily reliant on energy sources characterised by high greenhouse gas emission levels.

implications for the public sector

- Reducing greenhouse intensive energy consumption.
- Dealing with the consequences of climate change such as extreme weather.

driver continuum

Climate change

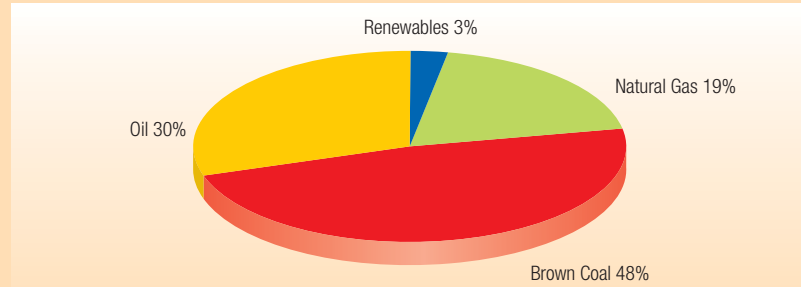


Significant
and
disruptive

Minimal,
not
disruptive

figure 7

Victoria remains heavily dependant on greenhouse intensive energy sources, particularly brown coal



Source: Sustainable Energy Authority Victoria 2004

and exacerbate. Victoria continues to rely on greenhouse intensive fuels, with 48 per cent of our energy coming from brown coal and 30 per cent from oil.

The imperative for reducing our reliance on fossil fuels is economic as well as environmental. Industry analysts expect that in the next 20 years the world will reach 'peak oil' and face a growing gap between expanding fuel demand and declining fuel supply. Oil prices have already more than tripled since late 2001.

key trends

- Life expectancy is high and increasing.
- Lifestyle diseases and mental illness are key concerns.
- Healthcare costs are rising.

implications for the public sector

- Poor health outcomes are linked with lower rates of workforce participation affecting productivity.
- Sustainable healthcare in a context of rising costs and case mix complexity.

driver continuum



health

Victorians are living longer than ever before. On average, Victorian men live 77 years and women live 83 years. The gap between male and female life expectancy is shrinking.

Health status varies with socio-economic status, with poorer Victorians experiencing poorer health. In particular, Indigenous Victorians' health outcomes are significantly below the State average.

Key health concerns in Victoria and throughout Australia are closely associated with conditions that are preventable and associated with lifestyle. Smoking still remains the most significant burden on Australians' health. Poor diet and lack of regular physical activity are also cause for concern. Less than 60 per cent of Victorians meet exercise thresholds necessary to provide health benefits.

Low rates of regular physical activity combined with poor diet have led to rising levels of obesity. Victorian obesity rates are 14.3 per cent for men and 14.7 per cent for women. A further 41.7 percent of men and 23.3 percent of women are overweight. Rising childhood obesity levels are particularly worrying and there are suggestions that today's children might be the first generation to die younger than their parents.

Poor health as a result of lifestyle has a considerable economic impact. In addition to direct healthcare costs, income lost by 25-64 year old Victorians due to poor health associated with smoking, obesity and high blood pressure, is estimated to be in excess of one billion dollars annually.

Mental health is another growing concern, particularly rising incidents of depression. Mental health problems, including those related to substance use, account for about 15 per cent of Victoria's total disease burden.

Spending on healthcare continues to rise. Australian health spending as a share of GDP rose from 8.1 per cent in the early 1990s to 9.7 per cent of GDP today. The ageing population and increasingly sophisticated developments in pharmaceuticals and other health technologies are placing upwards pressure on health costs. Medical technology is estimated to have contributed to 36 per cent of the average annual growth in real healthcare expenditure in Australia over the last decade. Case management complexity is also placing a pressure on costs with a trend towards patients presenting to health services with multiple medical conditions.

education

Victoria has high levels of educational attainment. Young people are staying at school longer and are increasingly likely to proceed to non-compulsory further education. In the two decades from 1982, Victoria's Year 12 retention rate more than doubled. By 2005, 80.6 per cent of Victorian children completed Year 12. However, despite high levels of overall attainment, education outcomes are lower for people from poorer socio-economic backgrounds.

Rates of enrolment in private schools are high and have increased over time. In 1980, 26 percent of full-time Victorian students attended non-government schools. By 2005, this proportion had risen to 35 per cent. At senior levels, private school enrolments are even higher, with 42.3 per cent of Victorian Year 12 school students attending Catholic or independent schools. Many parents cite stronger values as a reason for choosing a private school.

The decision of many parents to send their children to private schools raises questions about the future of government schools and existing funding models for government and independent schools. A high level of willingness to pay private fees is also apparent in the tertiary education sector. Growing numbers of domestic university enrolments are full-fee paying students.

High levels of education and training contribute to economic competitiveness. They also correlate strongly with higher standards of living later in life. Australians who do not complete Year 12 earn almost 20 per cent less than those who have. University graduates earn 40 per cent more than those who finish at Year 12.

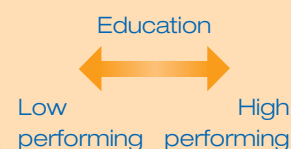
key trends

- Victorian levels of educational attainment are high.
- Rates of enrolment at private schools are high.

implications for the public sector

- Addressing the disparity between educational outcomes.
- Assessing the implications of parents increasingly choosing to send their children to private schools.
- Developing a highly skilled workforce through education and training.

driver continuum



key trends

- Victoria is culturally diverse.
- High levels of individualism and a rise of consumer culture.
- Polarisation between some communities.

implications for the public sector

- Engaging with individuals and communities to provide services and achieve policy outcomes.
- Valuing social diversity.

driver continuum



social identity

The emergence of the values debate has renewed interest in what constitutes Australian values, with politicians and social commentators weighing into the discussion. There has been a particular emphasis on how children might learn ‘values’ in school.

Australia, particularly Victoria, is characterised by increasing cultural diversity. Victoria’s cultural diversity is the result of a history of migration from countries around the world. Since 1981, one in every two migrants arriving has come from Asia, with the majority from Southeast Asian countries. One in four Victorians was born in another country and more than 20 per cent of Victorians speak a language other than English at home.

It is possible that social identity will become increasingly internationally oriented. Each year, more than one in six Australians between 18 and 28 years of age travels overseas. Many young Australians see themselves as part of an international community. They seek to take advantage of what the world can offer.

Future shifts in social values could be shaped by generational change. The attitudes of young people towards partnering, parenting, living arrangements and work ambitions will affect society. Australia is already witnessing trends such as young people remaining longer in the family home, delaying parenthood and increasing rates of female workforce participation.

Social commentators have noted rising individualism in Australia and the development of a consumer culture. It has been argued that Australians are suffering from *affluenza* and are obsessed with money and materialism. This has supposedly manifested in a luxury fever with our expectations for material wealth outstripping our means.

There are concerns that society could become more polarised, with reports of some religious and cultural groups feeling increasingly marginalised. There is also a growing disparity between rich and poor. According to the Australian Bureau of Statistics, income inequality has increased in every state and territory in the decade from the early 90s to the early 2000s.

technology

The direction and pace of technological change is particularly uncertain. However, technological developments have the capacity to provide us with a new set of tools to go about our lives and our work.

Australians have been quick to adopt information and communication technology. Mobile phones surpassed natural saturation in 2004 and around 80 per cent of Australians over the age of 16 years currently own a mobile phone. Around 60 per cent of Australians have a connection to the Internet at home and three quarters of users access the Internet every day. Broadband subscriptions currently account for about 30 per cent of all connections.

Some developments in biotechnology are beginning to change approaches to health, agriculture, industry and the natural environment. In primary production, biotechnology can be applied to produce pharmaceutical proteins in livestock and plants. Industrial bioprocessing technologies use micro-organisms and enzymes for products such as detergents and some pharmaceuticals.

In the health arena, biotechnology is increasing the capacity for more predictive diagnostics, preventive interventions and more personalised healthcare. While such technologies hold significant promise, they also have the potential to increase healthcare costs.

Nanoscience also has significant technological promise. Nanoscientists are studying and manipulating matter on an ultra-small scale and the capacity to manufacture at the molecular level has much potential. Nanotechnology offers a range of applications, from aerospace materials to biomedicine.

the wild card

The wild card as a key driver of change is by definition, impossible to predict. However it has the potential to cause significant and disruptive changes in our operating environment. Such wild cards might include major pandemics, environmental disasters, large scale unplanned migration, or attacks against citizens and their interests at home or abroad. State and national planning and emergency recovery plans already exist for a wide range of potential wild card threats. However, the emergence of a wild card is nearly impossible to anticipate.

key trends

- High rates of ICT uptake.
- New possibilities are emerging in biotechnology and nanotechnology.

implications for the public sector

- Making the most of ICT and building connectivity to better communicate and deliver services.
- Capitalising on opportunities in high-tech industries.

driver continuum

Technology



Fragmented Connected

public administration trends

Workshop participants considered a range of trends and issues in public administration. Each of these issues has the potential to influence the approaches that public sector administrators apply to their present and future work. The key public administration issues that are reshaping the ways in which the sector operates are outlined below.

trend

- There are variable levels of trust in public institutions.

issue continuum

Trust in public institutions



Low

High

trust and accountability

Victorians place their trust in public institutions every day. Citizens dial 000 to receive emergency assistance; undergo medical procedures in public hospitals; and drive on public roads. However, assessing the extent to which people trust public institutions is complex.

Public polls consistently rate nurses as the most ethical and honest profession. School teachers and police also rank amongst the most trusted, with favourable public perceptions of ethics and honesty increasing over time. However, politicians' ratings have remained consistently low throughout more than two decades of polling.

At a cross-national level, Transparency International rates Australian public institutions amongst the most trustworthy in the world. However, Australians' confidence in their public servants is relatively low by international comparison.

The development of formal accountability systems can be linked to mechanisms to address the relevance, performance and legitimacy of government and its institutions. Public institutions operate in accordance with performance targets, standards, guidelines, and reporting requirements.

A range of watchdog functions have recently been developed to oversee elements of the Victorian public sector in the form of commissions or special offices in areas such as environmental sustainability, child safety, privacy, and police integrity. These bodies operate in addition to oversight bodies with a broader purview such as the Ombudsman and the Auditor General. The emergence of these watchdogs could be seen as a strengthening of accountability in the sector which could increase trust. Alternatively they might be viewed as the institutionalisation of distrust.

Formal accountability and reporting systems are designed to approximate desirable public interest outcomes and uphold institutions' integrity. However, caution is required to ensure that such approximations are reliable and not so excessive as to compromise performance and innovation.

choice and personalisation

A significant driver of change in public administration over the last twenty years has been an increasing demand for service choice and personalisation. There has been a move away from pursuing one size fits all solutions and instead towards recognising heterogeneity. It used to be thought that homogenous solutions were consistent and fair. Now there is recognition for differences in situations. Like cases are treated alike and this encourages fairness. Cases that are different in an important way are treated differently. However acknowledging differences complicates the system and creates a dilemma between simplicity and catering to individual differences. This is the challenge of heterogeneity.

Increased demand for choices and a greater say in the issues important to citizens is partially driven by higher levels of affluence. Consumer markets offer more choice than ever before, leading to similar expectations for public services. Choice is particularly important to Australians who, in a survey of citizens' values across 80 nations, ranked fourth highest in wanting more say in government decisions. Nevertheless the Victorian Health Survey 2004 found that 73 per cent of Victorians do feel that they have a real say on the issues that are important to them and that this proportion is increasing over time.

Concepts of greater personalisation and service choice have the potential to re-organise the way public goods are created and public services are delivered. Personalisation can be relatively simple, involving elements such as a more customer friendly interface with existing systems and a fixed menu of service options. Alternatively, service personalisation could transform services to give users a far greater role in designing solutions from the ground up. This deeper level of personalisation could extend to customer participation in decision making, such as how money is spent and how services are designed, making the public co-designers and co-producers of public services.

trend

- Citizens are increasingly demanding higher levels of public service choice and personalisation.

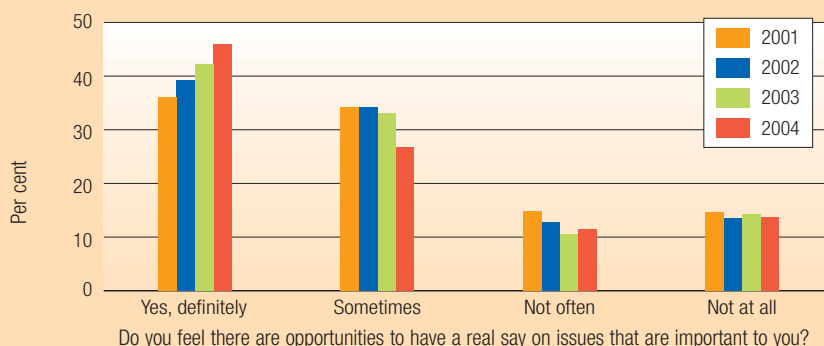
issue continuum

Citizen demand for choice/personalisation



figure 8

Most Victorians feel that they have a real say on important issues



Source: Department of Human Services 2004

trend

- The participation of individuals and communities to achieve policy outcomes is becoming increasingly valued.

issue continuum



personal vs. state responsibility

A growing interest has emerged in how policy makers tackle the relative responsibilities between the State and the individual to address key issues. The intent of much public policy is to shape public behaviour, either to do certain things – like pay taxes, drive safely or give up smoking – or conversely not to do others – like evade taxes, drive recklessly or take up smoking.

A key challenge for the public sector is determining the role of individual responsibility in shaping public behaviour. A survey of over 2,000 Australians indicated that citizens believe that the balance between State and individual responsibility is about right. Nevertheless, there are strong arguments for seeking to develop higher levels of individual responsibility in some policy areas.

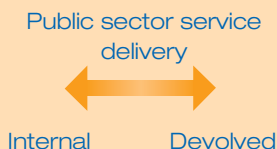
Acceptance of individual responsibility has the potential to realise better outcomes, be more cost effective, and facilitate civic engagement to empower citizens to behave in their own best interests and those of society. It has been suggested that facilitating higher levels of individual responsibility in policy domains such as healthy lifestyle would offer considerable positive externalities (eg reduced burden of disease and associated personal and financial costs) for individuals, society and the State.

However State interventions to encourage, empower, persuade, cajole or sanction individuals to accept higher levels of individual responsibility and change their behaviour need to be carefully considered. In some policy domains the State needs to be sensitive to perceptions of paternalism and intrusion into people's private lives.

trend

- The public sector is using a mix of internal and external service delivery.

issue continuum



service delivery devolution

Over the last 20 years, there has been a considerable trend away from direct public service delivery towards privatisation and outsourcing. The private sector and non-profit sector now play a major role to deliver services either wholly or partly funded with public revenue. From transport systems to essential utilities and prisons, there has been a shift towards external service provision.

The shift towards external service provision is based on the understanding that private and non-profit organisations are more responsive and efficient than public service providers. However, the perceptions of external organisations as more flexible, innovative, supportive, participatory and empowering are largely untested by empirical research.

The privatisation trend raises questions about whether the public sector and future public services will become residual, with citizens increasingly turning to private markets to meet their needs. To date, citizens have largely accepted public service privatisation. Nevertheless they continue to place demands on government when private service failures occur.

It is possible that in the future, government might further withdraw from public sector service delivery and instead focus on its role as a policy maker, regulator

and funding provider. Alternatively, future governments might become more actively involved in direct public sector service delivery. This is not necessarily a binary choice. It could be possible to withdraw from direct service delivery in one policy domain, such as roads, and increase levels of direct service delivery in another policy domain, such as policing.

The extent to which service delivery is internal or external to the public sector affects the skill set required by those working in the public sector. There are considerable challenges in supporting government to develop policy and administer regulations in industries in which the public sector no longer has service delivery experience and expertise. Any 'buy-in' of external industry skill will need to be balanced with the skills required to operate in a government environment with its complex and competing demands.

The extent to which potential devolution of service delivery will be accompanied by devolution of decision making is uncertain. Such a shift would need to balance economic efficiency with local responsiveness.

tiers of government

Government systems around the world are becoming more complex with multiple centres of power and policy making. Globalisation is also contributing to this complexity with more standards being set in international forums. The challenge of managing complex intergovernmental systems requires a whole-of-system and whole-of-policy area approach. The present Australian intergovernmental system has been labelled as outmoded and inefficient and there has been much speculation on the sustainability of the three tiers of government. However it has also been argued that there are advantages in a system with multiple spheres of government as multiple governments provide greater democratic input and access points.

The relationship between the tiers of government, particularly at Commonwealth-State levels, influences the capacity to develop and deliver effective policy and services. The Commonwealth's dominance in revenue raising capacity and the States' more significant responsibilities for service provision require coherent inter-jurisdictional approaches to meeting citizens' needs.

trend

- There is an ongoing tension between funding and accountability across tiers of government.

issue continuum

Cross-jurisdictional relations



Adversarial Cooperative

trend

■ The public sector workforce is ageing and the nature of work is characterised by high levels of complexity.

issue continuum

Public sector workforce



Ill-equipped for demand and complexity Adaptive and responsive

workforce capacity and capability

The capacity and capability of the public sector workforce is a critical factor in determining the future operations and effectiveness of public institutions. In a competitive and contestable environment, the public sector requires an innovative and agile workforce supported by flexible administrative systems.

Forty-eight percent of the existing public sector workforce is over 45 years of age and employees leaving are being replaced by people of the same age. This trend means that in future the sector will have to face generational change and succession planning issues

Developing and maintaining public institutions as high performance employers of choice will require the ability to attract a bright and dynamic workforce. A 2004 survey of 13,000 employed Australians found that public administration and defence employees are more satisfied with their jobs and less likely to leave their employer than those in the private sector. However, they did not perceive that their organisation was particularly high performing.

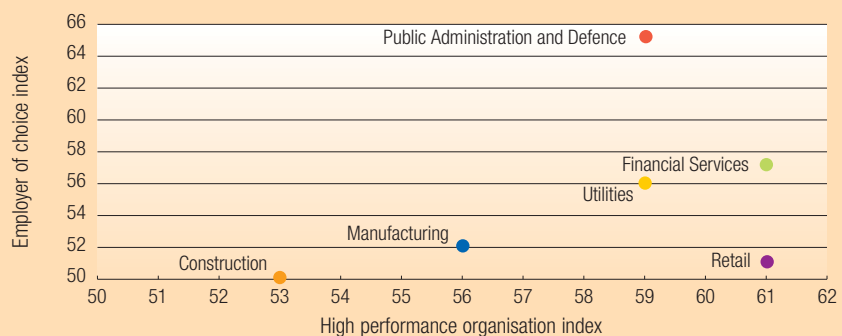
The capacity of the private sector to offer significantly higher remuneration, particularly at senior executive level, will present challenges for attracting the 'best and brightest'. Competition for talent can be expected, particularly in relation to people with the skills to exercise sophisticated commercial judgement, manage multifaceted projects, and operate in complex political environments.

The public sector can no longer rely on workers to pursue public service as a long-term vocation through which they seek to 'make a difference'. Rather, the next generation of workers is expected to be highly mobile and keen for diverse experiences. Cross-sector career paths, in which intermittent public service becomes a 'club for life' rather than a 'job for life', could become more prevalent.

The public sector needs the capacity to 'think big', test ideas and make bold decisions. It is no longer the role of public institutions to operate principally as production organisations striving for consistent responses. Rather, its effectiveness is dependent on its ability to apply knowledge and skills from multiple sources, internally and from academia, business and the community.

figure 9

Public administration is an employment sector of choice



Source: Roy Morgan Research 2004

international perspectives

In examining contemporary issues confronting the public sector, the project sought the involvement of two leading international thinkers in public administration who each participated in a forum. Professor Mark Moore from Harvard University provided a perspective on democracy and the role of public administration. Dr Geoff Mulgan, the former head of the Prime Minister's Strategy Unit in the UK, outlined his view of current directions in public management. Their comments are summarised below.

Professor Mark Moore

Hauser Professor of Nonprofit Organisations
Kennedy School of Government, Harvard University

Public institutions require stronger commitment to the orchestration of a public dialogue. The role of government and its institutions extends beyond delivering services and imposing obligations on its citizens. They need to shape political culture to support collective decision making.

Government and its institutions need to find new methods of political consultation. Democratic parliamentary systems give citizens control over government decisions and keep bureaucrats responsible. However, responsibility does not rest solely with officials, but also with citizens.

There are two fundamental tasks of being a citizen in society: to neither give offence nor take offence easily. If citizens were to adhere to these two simple rules it would create a society remarkably free of external constraints. Citizens need to rediscover the ability to cope with one another.

Construction of a political culture makes government more effective but also less necessary to ensure the right kind of actions take place within society. Public administrations should work towards leaving behind stronger working relationships among citizens and provide them with choices rather than simply delivering services. Such approaches facilitate development of social capital.

Government clients are those individuals with whom government organisations have a transaction. For many citizens public institutions don't provide a set of services but instead a series of imposed obligations. Some clients are service *beneficiaries* and some are *obligatees*. In one case citizens are provided with something, in the other they get told to do something. Most domains of government involve both services and obligations.

Citizens' ideas of what they are entitled to from government have shifted over the last 20 years. They are demanding greater responsiveness and customisation. People are less willing to accept single solutions. Public institutions' operating environments have become more complex, as they are increasingly required to recognise and respond to citizens' heterogeneous needs.

While citizens clearly seek more responsive governance, the extent to which public institutions should be the locus of innovation is less clear. It is difficult to define when innovation should be happening and there is a public perception that bureaucrats shouldn't be innovative because they were not elected to be innovative with taxpayer funds. Nevertheless, the public service is no longer simply a production organisation striving for consistent responses but rather a 'job shop' with high levels of innovation.

"In my view there are two fundamental tasks of being a citizen in society. The first is to not give offence. The other is to not take offence easily."

**Prof Mark Moore
2006**

“The public service needs to be a system designed for constant improvement and not reliant on sporadic interruptions to orchestrate change.”

**Dr Geoff Mulgan
2006**

Dr Geoff Mulgan

Director, Young Foundation

Dr Mulgan was formerly Director of the Prime Minister's Strategy Unit in the UK and was also the founder and director of the think tank DEMOS.

Over the last 20 to 30 years, the public service has changed in three significant ways. First, it has become more confident about the values of government. Second, it acknowledges that many problems require a whole of government approach. Third, it has recognised that government does not crowd out business and that there is no correlation between the size of government and the level of economic growth.

Current directions in public administration suggest that there are a number of key issues confronting the public service today that hold potential to better deliver value to the public. Ten key issues are outlined below.

1. **Competence of public management** – Efforts in public management need to centre on governments' core tasks.
2. **Public trust** – Trust in public institutions is not guaranteed and the public service needs to focus on what it can do to promote trust. Trust is very closely related to the behaviour of public servants and politicians; the effectiveness of their communication; and their ability to apologise for mistakes and adhere to moral conduct.
3. **Joined-up government** – The changing nature of the issues confronting government means that policy, decision making and service delivery need to operate across departmental portfolios. Agencies and their incentive systems need to be redesigned from a purely vertical structure to include greater horizontal interaction.
4. **Strategy** – Greater attention needs to be given to strategy. A period of relative political and economic stability does not mean governments can overlook strategy.
5. **Service delivery** – Governments and citizens are demanding more of public service delivery. This requires a renewed focus on target setting and implementation.
6. **Partnership** – Government must recognise the need to build strong relationships with business and non-government organisations. Governments are now witnessing the third or fourth generation of partnerships. They know that not all partnerships are successful and that they need to be more aware of their inherent risks and benefits.

7. **Behaviour change** – Governments are now increasingly involved in orchestrating behavioural change among citizens. Examples include water consumption, diet, recycling, saving for retirement, and reading to children. Behaviour change can not be achieved simply by passing a law; rather it requires more subtle intervention. However orchestrating behavioural change encounters risks associated with perceptions of paternalism.
8. **Innovation** – The public service requires greater levels of innovation. The public service is at its best when it fosters innovation and encourages boldness to remake institutions. Imbedding innovative capacity within the public service is often easier for smaller countries that are better able to replicate the innovative spirit and ethos of the business sector and strive for new models of governance.
9. **Domestic/international policy divide** – There has been a blurring of the distinctions between domestic and international policy. More and more issues need to be addressed in both domestic and international contexts. Prominent examples include drugs and migration. Governments need to rethink their approach and breakdown the traditional barriers between domestic and international policy.
10. **Media** – Governments operate in an environment of 24/7 media cycles with a desire for running commentaries. The challenge for the public service is reconciling the rapidity of the media with the slower pace necessary for effective public policy and service delivery.

Pure 'silo' (vertical) models of government are often inefficient. Various mechanisms exist to apply more horizontal solutions. These include joint budgets and targets; ministerial appointments that cut across departments; common protocols; common access portals; local partnerships; joint program development; and coordinated strategic command. Big bureaucracies don't change unless you also change the drivers of behaviour such as incentives, targets, career rewards, and money.

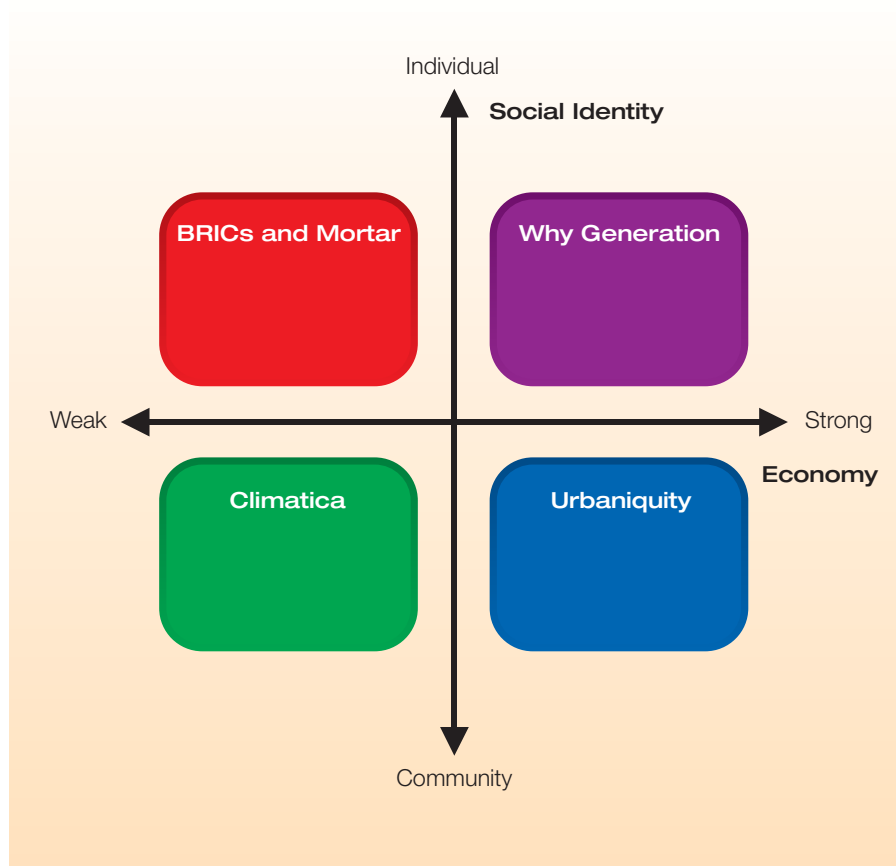
Despite the opportunities that reside in joined-up government, they also contain high levels of complexity. It is not the case that joined-up approaches should replace silo approaches. Silos have their advantages: they allow for knowledge and expertise to be cultivated in specific areas; they offer greater clarity in accountability; and they require less complicated communications. It is very unlikely that silos will disappear. Rather the question is where the right balance lies between silo and joined-up approaches.

future scenarios

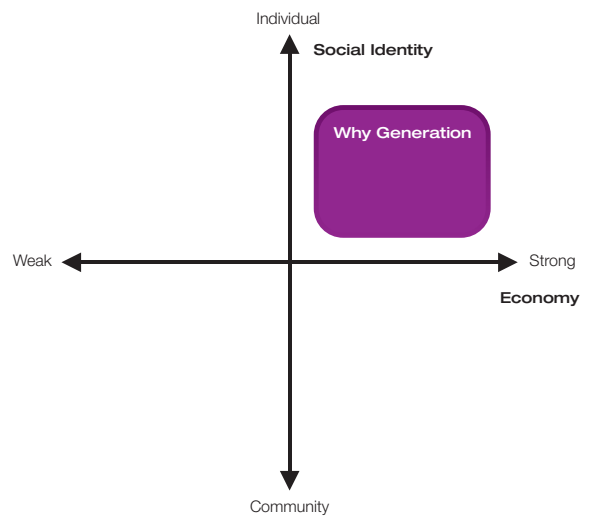
Participants in the project examined the ways in which a range of drivers of change could play out to create future scenarios in 2025. Two main drivers were chosen to form the foundation of the scenarios: the economy and social identity.

The economy and social identity were selected as the scenarios' underlying drivers on the basis of their significant potential to affect the public sector's operating environment. Whether the economy is strong or weak affects both citizens' prosperity and the revenue raising capacity of the government. The extent to which people's social identity centres more heavily on the individual or on communities shapes both their expectations of government policy and programs and their willingness to engage as citizens.

The matrix below depicts the foundation drivers of the four scenarios: Why Generation, Urbaniquity, Climatica and BRICs and Mortar. The development of the scenario narratives took into account a range of other drivers as well as the matrix drivers. Descriptors of the scenarios are outlined on the following pages.



Why Generation



Core drivers

Economy
Moderate economic growth

Social identity
Centres on the individual

Demography
Aged population

Work environment
Flexible work systems and employment growth in creative industries

Energy and climate
No significant shocks and the environment is increasingly valued

Health
Growth in preventative and devolved healthcare models

Education
High performing and highly valued education systems

Technology
Sophisticated and well connected

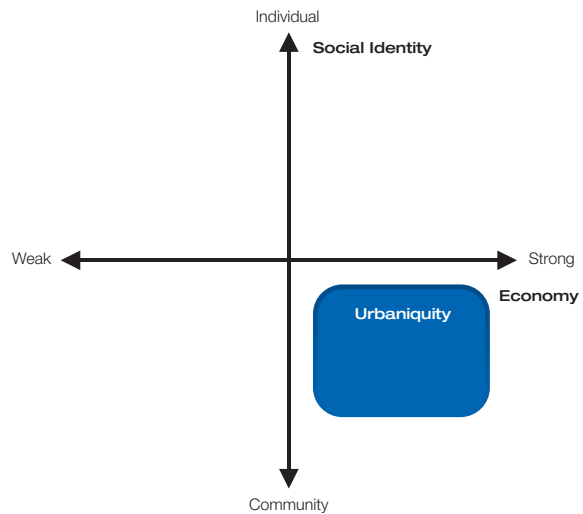
Description

Why Generation is an era of new ideas, a period of experimentation, contestability, and the question, *why?* It is a time for challenging old assumptions and institutions. People travel and actively seek diverse experiences and new ways of pursuing work and leisure. These life experiences are valued above community, above relationships, above geography. Personal relationships are increasingly transitory.

People are better educated, informed and connected than ever before and they demand responsive and accountable public institutions. Similarly, they are willing to be accountable for their own actions, accepting a high degree of personal responsibility for their own safety, healthcare and retirement savings. Citizens are willing to largely rely on private markets for services and make private contributions towards the cost.

The workforce is highly connected and highly productive. New modes of work and flexible working arrangements emerge alongside growth in creative industries in ICT, the arts, media, and education and training. The economy is growing, but prosperity is not shared equally. A prevailing culture of individualism leaves behind the disempowered, the unskilled and those who cannot afford private services, widening the gap between the haves and the have-nots.

Urbaniquity



Core drivers

Economy

Strong and sustained economic growth

Social identity

Strong community orientation

Demography

Aged population

Work environment

Growing emphasis on virtual networks, particularly in growing knowledge-based industries

Energy and climate

No significant shocks, the environment is increasingly valued

Health

Acute services dominate health spending and services are increasingly customised to communities' diverse needs

Education

Focused on life-long learning

Technology

Sophisticated and well connected

Description

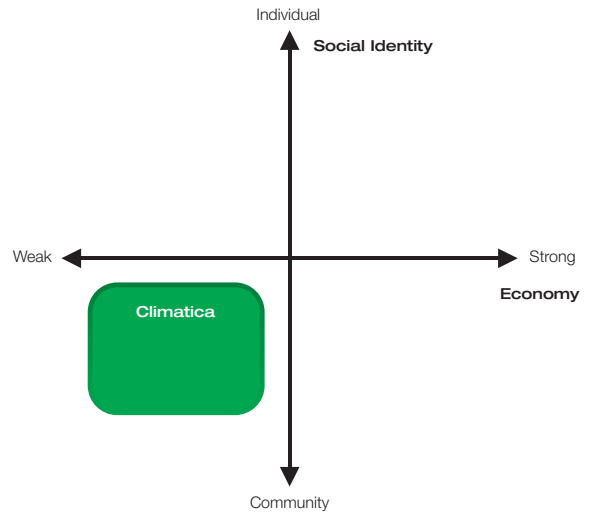
Urbaniquity is a time of high economic growth, a culturally vibrant core, and a positive global outlook. Local business is globally competitive and the growth industries are finance, information and communications technology, and medicine. Information networks and foreign travel connect people. Education is valued and investment in education comprises an increasing proportion of personal debt.

The CBD thrives not only as a centre for economic activity, but as a vibrant cultural precinct. The visions of higher population density and activity centres in the suburbs have been realised. Urban property prices rise more quickly than the standard of living, putting pressure on the housing market. People demand and receive reliable public transport. Those who continue to drive face more extensive tollways and congestion on un-tolled roads.

While economic prosperity means that standards of living are high, this prosperity is not equally shared and inequality remains. Victoria has retained its standing as a desirable destination to do business and place to live. Migration has increased to help meet skill demands in knowledge industries and high value manufacturing as well as in unskilled job markets.

Even though the population is highly urbanised, there is a strong awareness and appreciation of environmental imperatives. Green is the norm rather than the exception.

Climatica



Core drivers

Economy
Weak and volatile

Social identity
Centres on community

Demography
Aged population

Work environment
Insecure employment and high levels of unemployment

Energy and climate
Environmental shocks have made energy expensive and put climate at the top of the policy agenda

Health
Growth in primary community-based public healthcare

Education
Strong demand for public education

Technology
Investment in sophisticated technology increasingly centred on clean energy production and distribution

Description

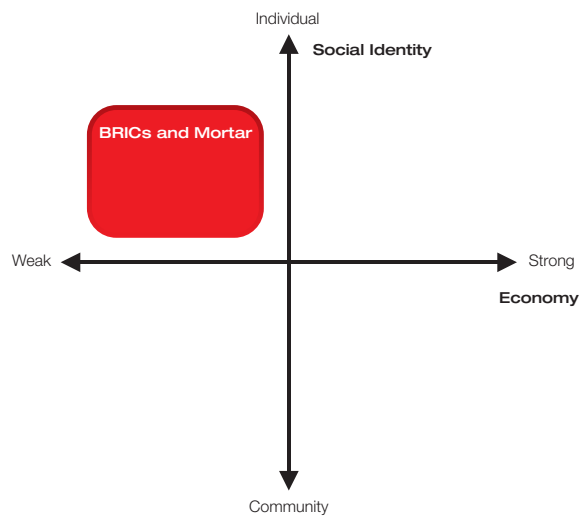
Climatica is a period where global environmental pressures have reshaped the operations of governments, business and citizens. Environmental shocks have reinforced people’s consciousness of the need for concerted action on energy and climate issues at all levels, from the local to the global.

International agreements on climate have restricted Victoria’s reliance on brown coal as its principal source of energy. Energy prices are high, weakening the economy and underpinning inflation. Investment switches to technologies which minimise environmental impact.

Local communities have mobilised around environmental issues, pushing them to the forefront of the government’s policy agenda. Individuals have adapted to global consciousness on environmental issues by changing the ways in which they go about their day to day activities. People travel less, are more self-sufficient, and demonstrate greater ecological consciousness.

People’s stronger community engagement and collaboration extends beyond environmental issues. People come together, volunteering their time and skills for communities at the local level, contributing to strong levels of social cohesion.

BRICs and Mortar



Core drivers

Economy

Weak and contracting

Social identity

Centres on the individual

Demography

Aged population

Work environment

Insecure employment and high levels of unemployment

Energy and climate

Low priority despite signs of emerging environmental problems

Health

Strong dependence on public health system

Education

Strong demand for public education

Technology

Sophisticated but not well connected

Description

BRICs and Mortar denotes a period of instability. Shifts in geopolitical power emerge as the BRICs – Brazil, Russia, India and China – rise and the USA begins to retreat from the world stage. Southeast Asia and the Asia Pacific are in a state of flux, facing civil unrest and volatile economies.

Although most sectors of the economy are flagging, there is limited growth in some industries, particularly security and defence. A weak economy and high unemployment result in citizens placing increasing demands on government to solve social problems and generate economic activity.

The imperative for economic survival means that citizens have little interest in protecting the environment. A heavy reliance on brown coal energy continues.

Regional insecurity means that law and order is at the top of the policy agenda. However, health and education also face increasing demand pressures in an environment where government's revenue raising capacity is restricted. Efficiency-drives and debt are increasingly commonplace in both public and private organisations.

future issues and challenges for the public sector

The four scenarios in the previous chapter demonstrate that the future is shaped by an array of complex and interconnected drivers. These drivers could intersect in a number of ways to produce alternate futures. While some drivers are easier to predict, others are much harder to anticipate. For example, future demography is more certain than the future state of the economy or the environment given the economy and the environment are more exposed to external shocks.

The uncertainty of the future underpins the need for the public sector to maintain a long term perspective. Shifts in the macro environment have the potential to significantly influence priorities and capacity. For example, shifts in the economy affects the State's revenue raising capacity; the ability of citizens to provide for their own needs; the capacity of the State to invest in long and short term physical and social infrastructure; and decisions to expand or contract activities in a number of domains.

The public sector faces a range of opportunities and challenges into the future. The ways in which these are addressed will not only contribute to the future shape of the operating environment, but will also affect the sector's capacity to work effectively in this environment. This report concludes by outlining seven key issues for the public sector.

1. Building and strengthening citizens' trust in public institutions

Building and strengthening citizens' trust in public institutions is central to improving the public sector's capacity to support government to serve citizens. Trust in public institutions gives them the operating legitimacy they require to make their activities credible and effective. Low levels of trust have been linked with lower levels of compliance in areas such as taxation and social security.

A high level of 'generalised trust' in the community contributes to establishing an environment that is favourable for the formation of social capital. It reduces barriers to voluntary participation in programs that are based upon shared values and mutuality.

Public trust is dependent on the behaviour and integrity of public officials and their adherence to coherent values. With high levels of devolution across the public sector, it is all the more important for agencies to be bound together by clearly articulated values and principles.

2. Developing more responsive public services that offer personalisation and choice

A strong focus on customer service is central to effective governance. Responsive services and institutions require clear communication with citizens so that they understand their options, entitlements and obligations.

Building more customer-oriented public services requires shifting attention away from meeting bureaucratic and organisational needs and focusing on citizens. However, service personalisation contains considerable challenges,

particularly in an environment where resources are limited. It raises complex issues of balancing standardisation of eligibility and decision making criteria to create fair systems with responsiveness to individuals' needs.

Engaging with citizens to design solutions from the ground up could make services more responsive to needs at individual, community and local levels. This entails the challenge of developing workable policy and program design and integration that balances economies of scale with customisation.

Demand for an increasing level of citizen choice raises the issue of the extent to which citizens are willing and able to accept responsibility for those choices. If a citizen makes a particular choice about the service they receive (or elect not to receive), to what extent should the individual or the State be responsible for the consequences?

3. Supporting the development of individual responsibility to achieve better outcomes

Supporting citizens to manage their behaviour and accept individual responsibility for issues that affect them is a difficult but important challenge. It requires an understanding of the formal and informal incentives that can influence individual and public behaviour.

There are multiple tools that can be applied to encourage individuals to take responsibility for their actions. These tools can involve punitive, informative, supportive and incentive approaches. For example, efforts to influence individuals to keep streets free of litter could include: imposing penalties for littering (punitive); informing people about the damage litter causes to the natural environment (informative); providing waste disposal facilities (supportive); and awarding 'tidy town' recognition (incentive).

In many policy areas getting the incentives and sanctions right and building the capacity of individuals and communities has the potential to establish more effective outcomes.

4. Developing systems and skills to work effectively with the private and non-profit sectors

Under a model where services are delivered on behalf of government by a range of public, private and non-government providers, the public sector requires capabilities to work in cross-sectoral environments.

Supporting government to work with the private sector to deliver essential social and physical infrastructure such as housing, roads and utilities, requires sophisticated skill sets. The public sector needs to be commercially savvy and adept in areas such as contract management, market trends, risk assessment and project management. These business-oriented skills need to be developed alongside the skills required to operate in government environments that often feature complex and competing demands.

5. Engaging across jurisdictions and portfolio structures

Delivering policy outcomes is often dependent on action and cooperation that crosses jurisdictional and portfolio boundaries. Citizens can become frustrated with disputes between jurisdictions. They are not particularly concerned about whose job it is, rather they simply want the job done.

Working across departmental portfolios requires strong relationships and shared objectives. Cross-portfolio collaboration can be hindered by departmentalism, fragmentation and systemic barriers, such as budget systems. Successful collaboration requires the right mix of incentives and targets, as well as clear lines of accountability, effective communication and shared leadership.

6. Preparing to meet workforce planning challenges

Internal workforce demographics and external labour market challenges are driving the imperative for effective public sector workforce planning. Planning for the impact of an ageing workforce is a significant issue for parts of the Victorian public sector given forty-eight percent of the current workforce is over 45 years of age. In addition to recruitment and succession planning considerations, there is also a need to ensure that specialised knowledge is not lost.

The limited capacity of the public sector to match remuneration in the private sector, particularly at senior executive levels, means that it needs to apply other incentives to attract a talented workforce. Cultivating talent from within the public sector will be an important part of retaining a strong position in the 'war for talent.' Similarly, the opportunities that public sector organisations can offer employees to pursue rewarding careers and make valuable contributions can help position the public sector as an employer of choice.

7. Fostering agility to support a high-performing public sector

The uncertainty that the future holds means that the public sector cannot predict many of the challenges that it will confront. Consequently, the public sector requires agility in its systems, structures and processes, enabling it to respond to future issues and external changes. Systems that require agility include budgeting, service delivery, information and communications, decision making, employment and contract management systems.

An agile public sector not only responds quickly to change, but also leads change. It requires public officials who can think strategically and long term. An agile public sector also needs the capacity to innovate and respond to the needs of citizens.

"Neither the government nor the bureaucracy exists in isolation. They form part of the complex pattern of the institutions of our society – a pattern which continues to evolve in time and to which a multitude of influences contribute."

HC "Nugget" Coombs, Commissioner, 1976 Royal Commission on Australian Government Administration

appendix one: participant list

The State Services Authority would like to acknowledge the individuals who contributed their ideas and time to the project. The following people participated in the first workshop and almost half were involved in the full series of three workshops. Participants are listed in alphabetical order together with their role and organisation at the time of the workshops.

workshop participants

| name | role | agency |
|---------------------|---|---|
| Neil Barr | Leader, Social Research Team | Department of Primary Industries |
| John Cairns | Executive Director, Workforce Planning and Development | State Services Authority |
| Amanda Caples | Director, Biotechnology, Office of Science and Technology | Department of Innovation, Industry and Regional Development |
| Ylva Carosone | Senior Advisor, Office of the Secretary | Department of Innovation, Industry and Regional Development |
| Karen Cleave | Chief Operating Officer | State Services Authority |
| Brian Coffey | Director, Public Land Policy | Department of Sustainability and Environment |
| Daniel Donahoo | Communications Officer, Disability Learning and Development Unit | Department of Human Services |
| David Downes | Senior Advisor, Innovation and Research | Department of Innovation, Industry and Regional Development |
| Paul Eate | Executive Director, Standards and Equity | State Services Authority |
| Jill Edwards | Manager, Business Coordination | Country Fire Authority |
| Adam Fennessy | Assistant Director, Resources and Infrastructure | Department of Premier and Cabinet |
| Steve Ferlan | Manager, Human Resources | The Arts Centre |
| Michael Ferres | Manager, Corporate Services | Department of Primary Industries |
| Cameron Frazer | Manager, Industry Linkages, Office of Science and Technology | Department of Innovation, Industry and Regional Development |
| Leigh Gassner | Assistant Commissioner | Victoria Police |
| Campbell Gome | Research Manager, Tourism Victoria | Department of Innovation, Industry and Regional Development |
| David Hanna | Chief Executive Officer, Innovation and Economy Advisory Board | Department of Innovation, Industry and Regional Development |
| Dianne Hardy | Senior Advisor, Workforce Planning and Development | State Services Authority |
| Peter Harmsworth | Chairman and Chief Executive Officer | State Services Authority |
| Katherine Henderson | Deputy Secretary, Office of Strategy and Review | Department of Education and Training |
| Steve Hodgkinson | Deputy Chief Information Officer | Office of the Chief Information Officer |
| James Holyman | Executive Project Manager, Area Liaison | Country Fire Authority |
| Michael Hopkins | A/G Director, Market Development, Public Transport | Department of Infrastructure |
| Phil Hughes | Principal Economist, Strategic Policy and Projects | Department of Sustainability and Environment |
| Pauline Ireland | A/Director, Policy Instruments Development and Review, Metropolitan Health and Aged Care Services | Department of Human Services |
| Jeannine Jacobson | Manager, Coordinated and Home Care | Department of Human Services |
| Michael Kane | General Manager, Strategic Initiatives | Department of Education and Training |
| Stuart Kells | Executive Director, Services and Organisation Reviews | State Services Authority |
| Lisa Kelsey | Legal Officer, Office of Public Prosecution/Enforcement Management | Department of Justice |
| Kate Kilkenny | Manager, Corporate Planning and Special Projects | Victorian State Emergency Services |

| name | role | agency |
|-----------------------|---|---|
| Kirsten Larsen | Policy Analyst, Policy and Strategic Projects | Department of Sustainability and Environment |
| Catherine Lilliehook | Project Manager, Planning and Policy | Department of Infrastructure |
| Frank Maas | Principal Advisor, Implementation Unit | Department of Premier and Cabinet |
| Vin Martin | Director, Economic Social and Environmental Group | Department of Treasury and Finance |
| Robyn Mason | Rural Project Worker, Grampians Region | Department of Human Services |
| John McCarthy | Assistant General Manger, Office of Teaching and Learning | Department of Education and Training |
| Christopher McDermott | Senior Arts Officer, Policy and Industry Development | Arts Victoria |
| Rebecca McTernan | Senior Policy Officer, Strategic Initiatives | Department of Education and Training |
| Jenny Morris | Director, Planning and Policy | Department of Infrastructure |
| Luke Naismith | Manager, Corporate Strategy | Department of Justice |
| Keryn Negri | Manager, Policy and Planning Review | Department for Victorian Communities |
| Jenny Peachey | Director, Corporate Strategy and Performance | Victoria Police |
| Kym Peake | Director, Children's Legislation Review | Department of Human Services |
| Stephen Petris | Assistant Director, Strategic Policy and Services | Department of Primary Industries |
| Catherine Pingiaro | Economist | Department of Treasury and Finance |
| Julie Prideaux | Senior Advisor, Service and Organisation Reviews | State Services Authority |
| Scott Rawlings | Principal Analyst, Resources and Regional Services | Department of Sustainability and Environment |
| Jeff Rich | Manager, Community Enterprise | Department for Victorian Communities |
| Corrina Richards | General Manager, Biotechnology and Policy Projects | Department of Innovation, Industry and Regional Development |
| Ian Richardson | Manager, Policy Development | Department for Victorian Communities |
| Jan Snell | Regional Director, Barwon-South Western | Department of Human Services |
| Donald Speagle | Director, Policy and Strategy Projects | Department of Premier and Cabinet |
| Geoff Spring | Director, Strategic Planning and Area Coordination | Country Fire Authority |
| Claire Thomas | Director, Strategic Policy Group | Department of Treasury and Finance |
| Jane Treadwell | Chief Information Officer | Office of the Chief Information Officer |
| Greg Vines | Public Sector Standards Commissioner | State Services Authority |
| Nick Voukelatos | Senior Advisor, Services and Organisation Reviews | State Services Authority |
| David Ware | Director Strategic and Financial Services | Department of Justice |
| Ian Wood | Principal Advisor, Policy and Strategy Projects | Department of Premier and Cabinet |

the project team

The Policy Research and Analysis Division of the State Services Authority managed the project. The project team comprised:

- Maria Katsonis, Project Director
- Karen Lau, Project Manager
- Laura Crowden, Project Officer

The State Services Authority worked with the Neville Freeman Agency who facilitated the workshops and the scenario development process. The Neville Freeman Agency team comprised: Oliver Freeman, Richard Neville, Greg Rippon and Bernard Lloyd.

appendix two: references

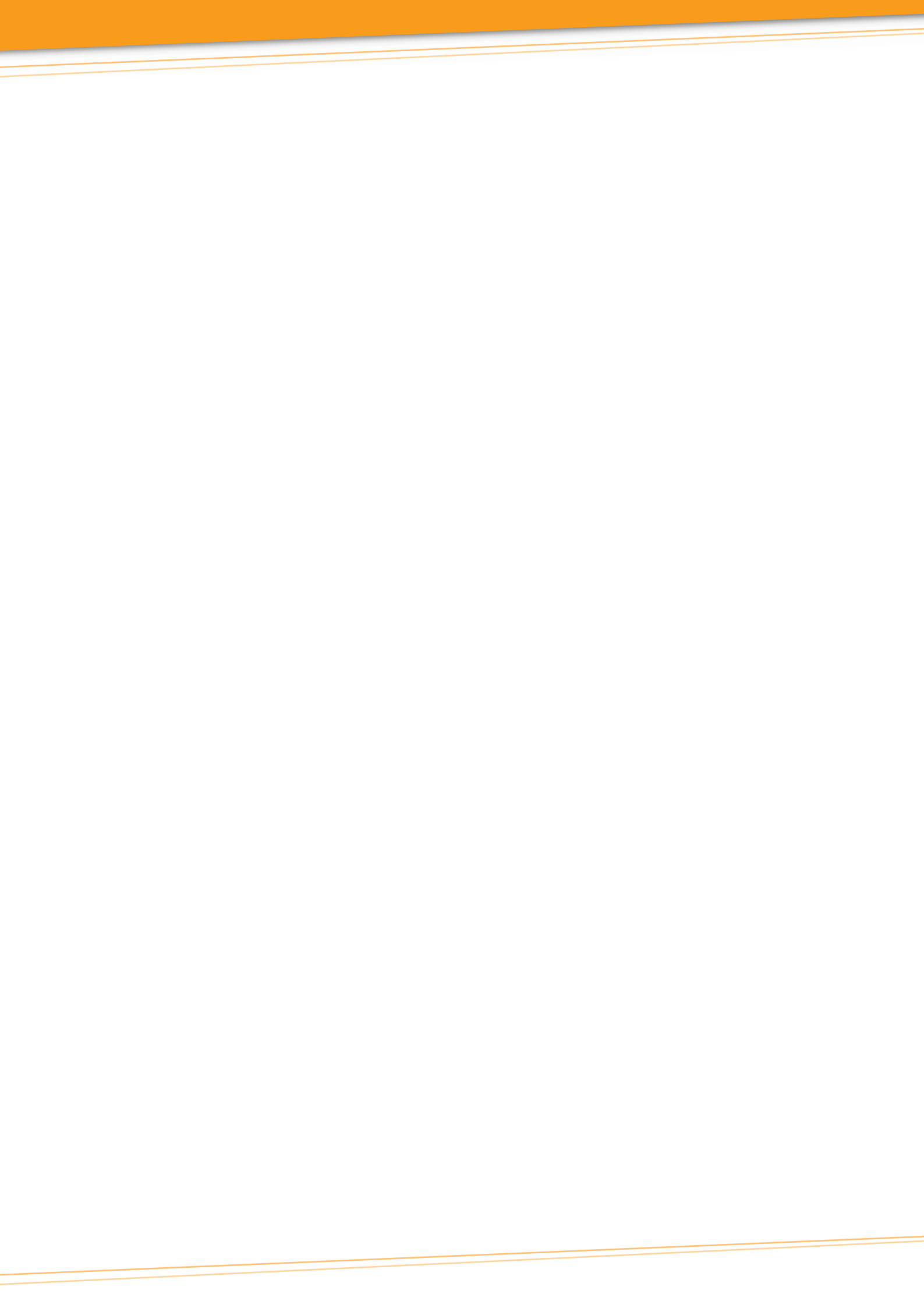
- AC Nielson 2005, *News*, 24 October <http://au.acnielsen.com/news/20051024.shtml>
- Ahmad, S 2005, 'The end of the affair', *The World in 2006, The Economist*, 20th edition p.70
- ANZ 2006, 'Special economic report – outlook for the Australian states', 11 January, Accessed through Property Council of Australia http://propertycouncil.gravitymax.com.au/capital/page.asp?622=275131&E_Page=17720
- Appelbaum, S H, Serena, M and Shapiro, B T 2005 'Generation "X" and the boomers: an analysis of realities and myths', *Management Research News*, vol. 28, iss. 1 pp.1-33
- Australian Bureau of Statistics 2006a, 'Labour force, Australia detailed – cat. no. 6291.0.55.001, Table 2: labour force status by state, capital city – balance of state and sex', 16 March
- Australian Bureau of Statistics 2006b, 'Yearbook Australia 2006', 20 January
- Australian Bureau of Statistics 2005a, 'Australian Social Trends 2005', 12 July
- Australian Bureau of Statistics 2005b, 'Education and Work', 14 December
- Australian Bureau of Statistics 2005c, 'Internet Activity' 12 August
- Australian Bureau of Statistics 2005d, 'Most students work and study' Media Release, Education and Work, Australia, 14 December
- Australian Bureau of Statistics 2005e, 'Australian national accounts: State accounts – cat. no. 5220.0 Table 1: gross state product, chain vol. measures', 9 November
- Australian Bureau of Statistics 2005f, 'Australian national accounts: State accounts', 9 November, cited in Department of Treasury and Finance/Standard and Poor's, 'Victoria's 'AAA' Rating: a comparative study of Financial and Economic Performance', March 2006
- Australian Bureau of Statistics 2005g, 'Population projections', 29 November
- Australian Bureau of Statistics 2005h, 'Schools', 23 February
- Australian Bureau of Statistics 2005i, 'State and regional indicators', 26 February
- Australian Bureau of Statistics 2004, 'Measures of Australia's Progress 2004', 21 April
- Australian Bureau of Statistics 2003, 'Crime and Safety 2002', 20 June
- Australian Bureau of Statistics 2002, 'Discussion Paper: Measuring a knowledge-based economy and society – an Australian framework', 28 August
- Australian Bureau of Statistics 2001, '2001 Census of Population and Housing – special tables', cited by Victorian Office of Multicultural Affairs 2004, 'Understanding Victoria's multicultural population: selected statistics from the 2001 census', March
- Australian Council of Trade Unions 2003, 'Working hours and work intensification background paper'
- Australian Government 2006, 'Elder Care', workplace.gov.au – Employment and workplace relations services for Australians. <http://www.workplace.gov.au/workplace/Category/SchemesInitiatives/WorkFamily/Eldercare.htm>
- Australian Health Map 2006, 'Victorian health resources 2003', *ABC Online* <http://www.abc.net.au/health/healthmap/vic/resources/default.htm>
- Australian Industry Group 2004, 'AI Group report identifies cost of rising dollar' Media Release, 12 January
- Australian Institute of Health and Welfare n.d., 'Figure 6.3 patient days per 1,000 population by age group and sex, public hospitals, Australia 1999-000', cited by Department of Sustainability and Environment, 'Changing faces, changing places: future population changes in Victoria', 2005
- Australian Institute of Health and Welfare 2004, 'Alcohol and other drug treatment services in Victoria', Department of Human Services
- Australian Services Union 2004, 'ACTU/ASU child care phone-in', Media Release 6 October
- Australian Strategic Policy Institute 2004, 'Attitude matters: Public opinion in Australia towards defence and security', August
- 'Baby boomers enter prime time' 2006, *The Courier Mail Online*, Editorial Opinion, 2 January
- Barr, N 2005, 'The changing social landscape of rural Victoria', Department of Primary Industries
- Beavis, A 2004, 'Why parents choose private or public schools', *The Sydney Morning Herald*, 17 August
- 'Boom times await new powers' 2004, *BBC News*, 4 October <http://news.bbc.co.uk/2/hi/business/4308382.stm>
- 'Brazil, Russia, India and China to outdo Europe and the US' 2005, *Pravda*, 29 August
- Bureau of Meteorology 2006, *Annual Australian Climate Summary 2005*, Issued 4 January
- Burford, M 2005, 'Responding to demographic change – bridging policy and pragmatism together' *Spotlight on Spring Street*, Institute of Public Administration Australia, October
- Burgess, V 2005, 'A man for all departments', *The Australian Financial Review*, 16 December, p.54
- Business Council of Australia n.d., 'Australian cultural norms and values', Research paper for the Scenario Planning Project, 'Aspire Australia 2025'
- Business Council of Australia n.d., 'Governing and politics in 2025', Research Paper for the Scenario Planning Project, 'Aspire Australia 2025'
- Business Council of Australia n.d., 'Sustaining Australia sustainable development issues facing Australia to 2025', Research Paper for the Scenario Planning Project 'Aspire Australia 2025'
- Business Victoria 2006, 'Work and family in Victoria – family and the Victorian workforce', Department of Industry Innovation and Regional Development

- Butcher, J 2005, 'Government, the third sector and the rise of social capital', University of Canberra
- Cabinet Office Prime Minister's Strategy Unit 2005, 'Strategic audit progress and challenges for the UK'
- Cable V 2005, 'Multiple identities: living with the new politics of identity', Demos, London
- Catalano, C 2006, 'State economy lifts game: employers', *The Age*, 6 February
- Chaisiatien, W (2005), 'Australia's mobile phone use to exceed 100% in 3 Years, predicts IDC', Media Release IDC Australia, 30 May
- 'Climate: the heat is on' 2006, *The Age*, Editorial 5 January
- Colebatch, T and Topsfield, J 2005, 'House prices "world's highest"', *The Age*, 1 December
- Colebatch, T 2003, 'In defence of baby boomers', *The Age*, 25 November
- Commonwealth Bank of Australia 2006, 'Dollars and Sense – Australians and debt' http://www.dollarsandsense.com.au/BorrowingAndLending/australians_and_debt.asp
- Considine, M 2005, 'Partnerships and collaborative advantage: some reflections on new forms of network governance', Centre for Public Policy, December
- 'Controlling the global obesity epidemic' 2003, World Health Organization
- Coombs, HR 1976, 'The future of bureaucracy' *address at the Australian National University*, 18 August, in Hazelhurst, C and Nethercote, JR (eds) 1977, *Reforming Australian Government The Coombs Report and Beyond*, Royal Institute of Public Administration in association with Australian National University Press, Canberra
- Council of the Australian Governments (COAG) 2005, 'Human capital reform: report by the COAG National Reform Initiative Working Group'
- Cork, S J 2001, 'The nature and value of ecosystem services in Australia', CSIRO Sustainable Ecosystems Project
- Davidson, S 2002, 'Facing extinction', *Ecos*, no. 113, October-November, pp.24-30
- De Cieri, H, Holmes B, Abbott, J and Pettit, T 2002, 'Work/life balance strategies: progress and problems in Australian organizations', Working Paper 58/02, Monash University Faculty of Business and Economics, November 2002
- Department for Victorian Communities 2005a, 'Indicators of community strength at the Local Government Area level in Victoria', Strategic and Policy Research, May 2005
- Department for Victorian Communities 2005b, 'Report card on measuring community strength in Victoria: 2004', Strategic and Policy Research
- Department for Victorian Communities 2005c. 'Victoria: working futures', Report of Victoria's Workforce Participation Taskforce 2005
- Department for Victorian Communities 2004, 'Indicators of community strength in Victoria'
- Department of Education & Training 2006a, 'Trends and scenarios', Victoria – Focus on the Future – Schooling for Tomorrow
- Department of Education and Training 2006. 'Summary statistics for Victorian schools', Statistical Information and Analysis Unit, March
- Department of Education & Training 2006b, 'Victoria's higher education students 2004' <http://www.highered.vic.gov.au/statistics/wherefrom.asp>
- Department of Education and Training 2005, 'Focus on the future participants' handbook', Office of Learning and Teaching, OECD Schooling for Tomorrow Project
- Department of Employment and Workplace Relations 2005a, 'Skills in demand lists states and territories 2005', October
- Department of Employment and Workplace Relations 2005b, 'Workforce tomorrow adapting to a more diverse Australian labour market'
- Department of Foreign Affairs and Trade 2005, Country/Economy/State and Territory Fact Sheets 'Victoria'
- Department of Health and Ageing 2005, 'Australian health and ageing system: the concise fact book'
- Department of Human Services 2005, 'Your health – A report on the health of Victorians in 2005', December
- Department of Human Services 2004, 'Victorian population health survey', June
- Department of Immigration Multicultural and Indigenous Affairs 2004, Chapter Eight: migration flows to the states – Victoria, 'Population flows: immigration aspects 2003-04 edition'
- Department of Premier and Cabinet 2005a, 'A fairer Victoria – creating opportunity and addressing disadvantage'
- Department of Premier and Cabinet 2005b, 'Challenges in addressing disadvantage in Victoria – reporting on progress, identifying future directions'
- Department of Premier and Cabinet 2005c, 'Protecting our community: attacking the causes of terrorism, 21 September'
- Department of Premier and Cabinet and the Department of Treasury and Finance 2005, 'Governments working together: third wave of national reform – a new national reform initiative for COAG, the proposals of the Victorian Premier'
- Department of Premier and Cabinet 2004, 'Beyond five million – the Victorian Government's population policy', Policy and Strategic Projects, December
- Department of Sustainability and Environment 2005, 'Victoria changing faces changing places', 16 November
- Department of Sustainability and Environment 2004a, 'Victoria in future 2004 detailed data files'
- Department of Sustainability and Environment 2004b, 'Victoria in future 2004' Overview Bulletin

- Department of Transport and Department of Main Roads Queensland '4seeable Futures 2000 - 2005'
- Department of Treasury and Finance 2006a, 'Budget update 2005 -2006'
- Department of Treasury and Finance 2006b, 'Strategy and outlook 2005-2006'
- Department of Treasury and Finance 2005, 'Victorian economic news June quarter 2005', Social, Economic and Environment Group
- Dodson, J and Sipe N 2005, 'Oil vulnerability in the Australian city', Urban research paper no. 6, Griffith University
- Duncan, E 2005, 'That shrinking feeling', *The World in 2006, The Economist*, 20th edition p.93
- Dunlop, M, Foran, B and Poldy, F 2005, 'Scenarios of future water use', CSIRO working paper series vol.1, iss.5
- Ekersley, R 2006, 'Increasingly uncomfortable living in a material world', *Sydney Morning Herald*, 12 January
- Equal Opportunity for Women in the Workplace Agency 2006, 'Facts on work/life balance in Australia'
- Eslake, S 2006, 'The world economy through a crystal ball', *On Line Opinion*, 9 January <http://www.onlineopinion.com.au/view.asp?article=4023>
- Eva, H 2004 'Designer molecules', *CSIRO Solve*, 1 November
- 'Foresight futures 2020 revised scenarios and guidance', UK Government, 2001
- Future Materials News 2005, April http://www.future.org.au/news_2005/april/skeptical.html
- Gainsford, L 2005, 'Baby Boomers, Gen X and Gen Y – who's afraid of compliance?', *Risk Management Magazine*, 14 December
- Galbraith, K 2005, 'Running on green', *The World in 2006, The Economist*, 20th edition p.56
- Galligan, B 2004, 'Re-invigorating commonwealth state relations', Institute of Public Administration Australia (Victoria) Seminar Paper
- Gettler, L 2006, 'Boom to bust: baby, it's old out there', *The Age*, 1 March
- Goldsmith, S & Eggers W 2004, *Governing by network*, Brookings Institution, Washington DC
- 'Governing the Future' 2005, oral evidence in Public Questions 1-69 taken before the *Public Administration Select Committee*, 8 December, UK
- Green, S and Tomazin F 2004, 'Private schools to face tough tests', *The Age*, 30 August
- Grimond, J 2005, 'Metro man', *The World in 2006, The Economist*, 20th edition p.22
- Halpern D, Bates C, Mulgan G, Aldridge S, Beales G and Heathfield A 2004, 'Personal responsibility and changing behaviour: the state of knowledge and its implications for public policy', Prime Minister's Strategy Unit UK, February
- Hamilton, C and Barbato, C 2005, 'Why Australians will never be prosperous', *The Australia Institute*, July
- Hamilton, C and Breakspear, C 2004, 'Getting a life understanding the downshifting phenomenon in Australia', *The Australia Institute*, discussion paper no.62
- Hamilton, C and Denniss, R 2005, *Affluenza*, Allen and Unwin, Sydney
- Hamilton, C, Denniss, R and Baker, D 2005, 'Wasteful consumption in Australia', *The Australia Institute*, discussion paper no.77, March
- Hamilton, C 2002a, 'The politics of affluence', *The Sydney Morning Herald*, 30 November
- Hamilton, C 2002b, 'Overconsumption in Australia', *The Australia Institute*, Discussion Paper No. 49, November
- Harding A, Kelly S and Bill A 2003, *AMP NATSEM Income and Wealth Report*, AMP, November, no.6
- 'Has he got the ticker?' 2005, *The Economist*, 5 May
- 'Hear that hissing sound', 2005, *The Economist*, 8 December
- Hess, M and Adams, D 2002, 'Knowing and skilling in contemporary public administration', *Australian Journal of Public Administration*, Vol. 61, Iss. 4, pp 68-79
- Hope, D 2005, 'The I-want-it-now years', *The Australian*, 31 December
- Horin, A 2002, 'Rich cry poor, then put another prawn on the outdoor kitchen', *The Sydney Morning Herald*, 30 November
- Houghton, J and Sheehan P 2000, 'A primer on the knowledge economy', CSES Working Paper No. 18, February 2000
- Howard, J 2005, 'Australia in the world', Address to the Lowy Institute for International Policy, 31 March
- Hunt, S 2005, 'Whole-of-government: does working together work?', Asia Pacific School of Economics and Government, Australia
- 'Imagining an international Australia', 2004 *Imagining Australia Griffith Review*, Summer
- 'Inclusive leadership motivates X and Y' Media Release, Robert Half International, July 2005
- Inglehart R, Basanez M, Diez-Medrano J, Halman L and Luijckx R (eds) 2004, *Human Beliefs and Values: a cross-cultural sourcebook based on the 1999-2000 values surveys*, Mexico, Siglo Veintiuno Editores
- Ireland, J 2005, 'Free love and education v free downloads and fee-paying education', *On Line Opinion*, 7 December <http://www.onlineopinion.com.au/view.asp?article=3930>
- Job, J 2005, 'How is trust in government created?', *Australian Review of Public Affairs*, vol. 6 no. 1, p1-23
- Johnson, D and Wilkins R 2006, 'The causes of changes in the distribution of family income in Australia 1982 to 1997-98', Social Policy Research Paper No. 27, Melbourne Institute of Applied Economic and Social Research, The University Of Melbourne

- Keating, P 1996, 'Australia, Asia and the new regionalism', 17 January, speech
- Kennedy, H 2005, 'Legally blind', *The World in 2006, The Economist*, 20th edition p.48
- Kingsland, J 2005, 'A pastry a day...', *New Scientist*, 26 November
- Klein, H 2004, 'Health inequality, social exclusion and neighbourhood renewal: can place-based renewal improve the health of disadvantaged communities?', *Australian Journal of Primary Health*, vol. 10, no. 3
- Lawrence, K and McIlveen, L 2005, 'Nation's day of shame', *The Herald Sun*, 12 December
- Leadbeater, C 2004, 'Personalisation through participation: a new script for public services', Demos, London
- Leahy, T 2005, 'A picture of people power', *The World in 2006, The Economist*, 20th edition p.50
- Leonard, M 2005, 'The geopolitics of 2026', *The World in 2006, The Economist*, 20th edition p.24
- Levantis, T 2004, 'Implications of the aging of Australia's population, alternative scenarios analysed using ABARE's state based general equilibrium model', ABARE submission 2004 to the Productivity Commission
- 'Living with drought', 2005, *Melbourne Water*
- Macfarlane, I 2005, 'Some observations on recent economic developments', Governor of the Reserve Bank of Australia's talk to Australian business, 13 December
- MacKay, H 2005, 'Social disengagement: a breeding ground for fundamentalism', Annual Manning Clarke Lecture, 20 March, *ABC Radio National*
- Managing Work Life Balance International 2005, 'Work/life initiatives: the way ahead report on the year 2005 survey'
- Martin, R 'Pay 'n' Play', Catapult, *ABC Online* <http://www.abc.net.au/catapult/indepth/s1297602.htm>
- Mazur, J 2000, 'Labour's new internationalism', *Foreign Affairs*, vol.79, no.1, p. 79 in Proquest Direct
- Mental Health Council of Australia 2005, 'Insufficient services in Victoria's mental health system' Media Release, 19 October
- McBride, E 2005, 'A few local difficulties', *The World in 2006, The Economist*, 20th edition p.73
- McClintock P 2003, 'The Australian approach to policy-making response to Mulgan and Zussman' *Canberra Bulletin of Public Administration*, no. 108, p15-17
- Moran, T 2005, 'The quiet revolution – observations on public policy', *The Art of the Long View*, Institute of Public Administration Australia
- Murphy, D and Davies, A 2005, 'Voters disagree with Howard over racism', *Sydney Morning Herald*, 20 December
- Murphy, M 2005, 'Better jobs, more pay for year 12 graduates', *The Age*, December 28
- Nader, C 2006, 'Spending up on health campaigns', *The Age*, 15 March
- 'Nanohouse brings nanotechnology home' 2003, CSIRO Media Release, 19 November
- 'Nanotechnology' n.d., Royal Society UK
- National Land and Water Resources Audit, *National Dryland Salinity Assessment 2000*, Commonwealth of Australia
- Negroponce, N 2005, 'One laptop per child', *The World in 2006, The Economist*, 20th edition p.144
- 'New muscles in the marketplace', 2006, *BBC News*, 11 January
- 'New players challenge world order', 2005, *BBC News*, 23 September
- New Zealand Ministry of Research Science and Technology, n.d., 'Biotechnologies to 2025'
- OECD 2006a, 'OECD statistical profile of Australia 2006'
- OECD 2006b, 'Work on education'
- OECD 2005, *Modernising government: the way forward*, OECD Publishing
- OECD 2001, 'The new economy: beyond the hype – Final report into the OECD growth project', Meeting of the OECD Council at Ministerial Level
- Office of Public Employment 2004, 'Community perceptions of conduct and employment within the public sector', *Scope*, Ed. 16
- O'Neill, O 2002, 'A question of trust', *BBC Reith Lectures*
- O'Sullivan, M 2005, 'Behind the urban curtains', *The Sydney Morning Herald*, March 4
- Overington, C and Warne-Smith, D 2005, 'Countdown to conflict', *The Australian*, 17 December
- Prime Minister's Strategy Unit Report to the Government, 2005, 'Investing in prevention an international strategy to manage risks of instability and improve crisis response'
- 'Real oil crisis' 2005, *Catalyst, ABC Television*, 24 November
- Richardson, S 2006, 'Unemployment in Australia', *Academy of the Social Sciences in Australia*, Flinders University
- Real Estate Institute of Australia 2006a, 'Median house prices up in five cities', Media Release 15 February
- Real Estate Institute of Australia 2006b, 'What will it take for governments to really address the continuing deterioration in home loan affordability', Media Release 7 March
- Roy Morgan Research 2005, 'Image of business executives and politicians down, while nurses once again most ethical profession', Roy Morgan Poll, Finding no. 3938, November 24
- Roy Morgan Research 2004, 'Public service & defence employers of choice, but financial services and retail are high performance organisations', Roy Morgan Press Release, Article no. 34, 30 July

- Saunders P and Sutherland K et al 2006, 'Experiencing poverty: the voices of low income Australians – towards new indicators of disadvantage project, Stage 1: focus group outcomes', Social Policy Research Centre, University of New South Wales, March
- 'School scores are a flawed guide to success', *The Age* Editorial, 6 October 2005
- Shergold, P 2005, 'The Australian public service in 2035: back to the future', speech, CPA Annual Conference, Melbourne, 18 May
- State Services Authority 2005, 'Annual Report 4 April 2005 – 30 June 2005, Incorporating the Annual Report of the Office of Public Employment 1 July 2004 – 4 April 2005'
- Straw, E 2004, 'The dead generalist: reforming the civil service and public services', *Demos*, London
- Sustainable Energy Authority Victoria 2006, 'The sustainable energy challenge'
- Sustainable Energy Authority Victoria 2004, 'Energy use and supply in Victoria'
- Schwartz, P 1991, *The Art of the Long View*, New York, Currency and Doubleday
- Tipper, S 2005. 'Technology and health informatics: designing future healthcare', Speech at Centre for Health Assets Australasia (CHAA) Conference 2005, Melbourne 10-11 November
- Transparency International 2004, Annual Report 2004
- United Nations Framework Convention on Climate Change 2005, 'Greenhouse gas inventory data'
- Van Tiggelen, J 2006, 'The day the earth caught fire', *The Age* Good Weekend, 11 March
- VicHealth 2006, 'Facts and statistics' <http://www.vichealth.vic.gov.au/Content.aspx?topicID=49>
- Victorian Employers' Chamber of Commerce and Industry 2005, 'Business confidence increases over the September quarter' Media Release, 22 November
- Vromen, A 2006. 'Young people's participation and representation during the Howard decade', 4 March
- Walsh, K 2004, 'Exclusive poll reveals new fears over personal debt', *The Sydney Morning Herald*, 15 August
- Watts T, Martin H and Stewart F 2002, 'Debunking the great generation X myth', *OzProspect*
- Whetton et al 2002, 'Climate change in Victoria – high resolution regional assessment of climate change impacts', undertaken for the Victorian Department of Natural Resources and Environment by the Climate Impact Group, CSIRO Atmospheric Research
- 'Wheeze in a Pod' 2005, *New Scientist*, 26 November, p.5
- Wilkinson, D, Denniss R and Macintosh A 2004, 'The accountability of private Schools to public values', *The Australia Institute*, Discussion Paper no. 71, August
- Woodall, P 2005, 'Fragile foundations', *The World in 2006, The Economist*, 20th edition p.15
- 'Women's Lifework: labour market transition experiences of women' 2006, Social Policy Research Centre, University of New South Wales, Report 7 2006
- 'Working harder to support aging population: OECD' 2005, *ABC News Online*, 3 February <http://www.abc.net.au/news/newsitems/200502/s1294755.htm>
- World Health Organization 2003, 'Controlling the global obesity epidemic'
- 'The world in figures: industries' 2005, *The World in 2006, The Economist*, 20th edition pp.107-111
- 'The world in figures: countries' 2005, *The World in 2006, The Economist*, 20th edition pp. 97-104
- Wu, F and Butz, W P 2004, 'The future of GM crops: lessons from the green revolution', *RAND Corporation*
- Yiacoumi, R 2006, 'Get the picture', *The Age*, 19 January



contact us

at the State Services Authority

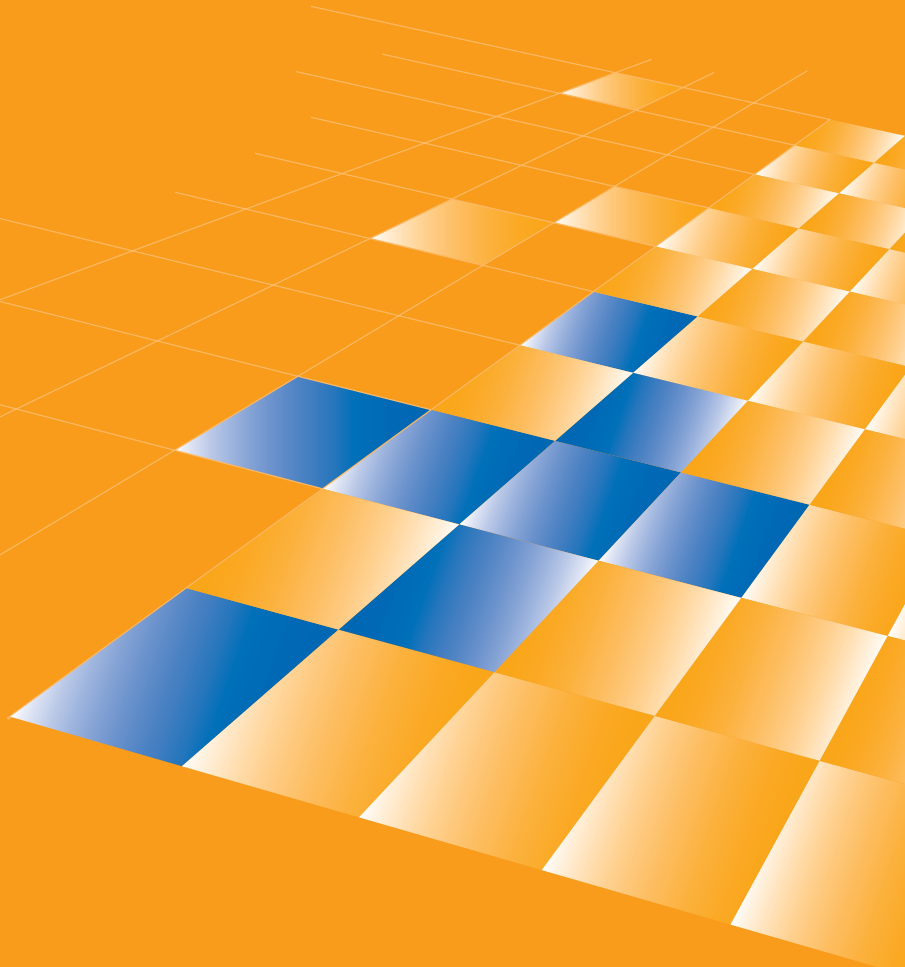
Email: info@ssa.vic.gov.au

Phone: (03) 9651 1321

Fax: (03) 9651 1883

www.ssa.vic.gov.au

Postal Address:
3 Treasury Place
Melbourne 3002



supportinggovernment
servicingvictorians