

Starting from Scratch – Patricia Scott, Department of Human Services

Patricia Scott got the good news in mid-October 2004. “You’ve been promoted to department head.” And the bad news a second later. She would be heading a department that didn’t exist! Scott was one of four women whose promotion was announced on Friday 22 October. The other three moved into well-established positions with the full support of staff and established practices.

In her new role Scott was called first by her minister. “Then I went and checked with Peter (Shergold, the head of the Department of the Prime Minister and Cabinet) on the time I was supposed to start. To be frank he hadn’t said when. And it was Friday that it was publicly announced. We started formally – we got the instrument – on the 26th, so I think there was the weekend and the Monday and that was the total preparation we had.”

On Tuesday Scott found herself with her executive assistant, Jacqueline O’Brien, and her executive officer, Alison McCann, in a room with three desks and chairs in the Minter Ellison building in Barton. “It was amazing, very challenging, very daunting,” she says. “We checked that the telephones worked and started inviting people in ... and then we’d say ‘look can you stay, can you stay today?’ And then we’d say ‘can you stay this week?’”

For anyone who has worked in the public service and knows all the governance requirements and protocols, it is hard to over-state the difficulties she faced. The growing Human Services department would need more space and would have to move. But even the basics had their difficulties. To get a post office box, which would provide at least one fixed point, you need to be able to identify who you are. And for this you need an Australian Business Number.

“Well, we didn’t have a bank account. We didn’t have an ABN, we didn’t have a fixed address. We didn’t have any bills sent to us,” Scott said. But in government there is no time out. From day one finances must be arranged, accountability requirements apply, the new minister must be serviced, staff must be paid, an IT system must be provided and security arrangements must work.

The Estimates Committee hearings were due to start in five weeks. “We didn’t have the people to say ‘Fred, what did we do last time?’” Scott says. “There was no last time.” Support from other departments was essential. Scott said she needed to travel to Sydney to meet the minister but didn’t have any means to fund the flight so “someone paid our airfare.” Departments were more than happy to lend staff for a week, but not so keen if the period was going to extend to three, or six, months.

They needed a lawyer and by the end of the week had one on secondment. Attorney-Generals' visited and were told of the governance issues. "Their eyes got larger and larger and larger and they said, 'well we'll send someone over this afternoon'."

With security, Scott says she got lucky. "I ended up having someone I knew who had a very good strong record on security so by about the end of week one, or week two, I had a security officer." They had to deal with Cabinet documents but some staff were not familiar with the requirements. They acquired a fire engine red lockable cabinet and the security officer began the process of getting clearances for other staff.

They had to write all manuals from scratch. "I handed someone a Cabinet submission and I said, 'Can you please keep the co-ord comment short?' and he said 'Yep'. And he walked about three steps and he said 'What's a co-ord comment?'"

Initially the Department of the Prime Minister and Cabinet looked after the few office staff. At the time of her promotion Scott was a Deputy Secretary in PM&C and the department kept her, and her immediate staff, on the payroll. "We've paid them back now, obviously", she says. "We took people on an unfunded secondment basis and now have met those bills."

Borrowed staff created spread sheets to record initial transactions. A *jerry-built* computer system provided basic services. A major initial task was to get funding for the new department. Human Services was set up to oversee six service delivery agencies, including the giant Centrelink, Medicare Australia and the Child Support Agency. These agencies are contracted by policy departments such as the Department of Health and Ageing, or the Department of Family and Community Services, to provide services for their clients.

No additional Budget funding was provided for the new Human Services department. Funding was to come from the policy departments. This required negotiation with them on how much each would contribute. Scott says one of the things she had to do was explain very carefully her department's purpose. In doing this she was greatly assisted by the statements made by Mr Howard and Dr Shergold on the day of her appointment. The result of these negotiations was an \$8 million department which has now increased to around \$12 million due to extra responsibilities it has acquired.

In his initial statement Mr Howard said Human Services would improve the delivery of services and ensure that the Government got best value for money. Scott says although hers is not a policy department, it has a role in seeing that service delivery issues are considered in the development of policy. But if this is so, why not simply have representatives of the delivery agencies included in the policy development committees? "We're not trying to be a third wheel, or

get in the way of good communications between policy departments and service delivery,” Scott says. “In fact we’re trying to facilitate those discussions.”

She says there will always be a need to consider the balance of interests between the policy departments and the delivery agencies and “I think that’s where we come into it. Sometimes we’re going to be battling with the agencies, and sometimes we’re going to be battling with the policy departments.” But the Human Services role which the six agencies operating under its umbrella might fear is the role of overseer or accountability master. Scott says it is undoubtedly the case that one of Human Services’ functions is to increase accountability. “That’s one of the things the Prime Minister said the department was about,” she says.

This is one of the reason why the agencies under Human Services have been the first to implement the Uhrig reforms. These reforms, recommended by former Westpac chairman John Uhrig, called for clear lines of responsibility in agencies and proposed that a number of boards that ran agencies should be abolished. The boards running the Health Insurance Commission, now renamed Medicare Australia, and Centrelink have now gone. “We are about improved accountability,” Scott says. “We are about wanting to know more about how things are done and why they’re done that way and could they become better? What are the queue times? And what’s the wait time? And how many calls don’t get answered? I’m not going to apologise for that. These are very large organisations delivering lots and lots of services and we haven’t hit Nirvana. Every now and again we’ve got to say to an agency, ‘you’ve got to lift your game’. And every now and again we’ve got to say to the policy departments, ‘Be reasonable. You can’t expect a service if you’re not prepared to fund that service’.”

Scott acknowledges that she is dealing with human organisations which sometimes excel and sometimes don’t deliver as expected. She says her department is hopefully a good rational body that can run on to the field and bring the players together in a way that meets the common goals, “but they won’t always view things exactly the same way.”

She says the structure they have is a novel arrangement. “I feel like we’re the McKinseys of service delivery. We’re not trying to do all the service delivery ourselves. We want to be small. We want to be fleet of foot and we want to get on top of an issue and then leave it to other people to get on with. We want to broker solutions and see points of co-ordination.” She suggests, for example, that some agencies have excellent records in low turnover or low Comcare insurance premiums, low absenteeism and others have very high Comcare premiums, high absenteeism.

The diverse experience and expertise can be shared to benefit all. Since its establishment the department has been given some additional responsibility –

the preparation of Comprehensive Work Capacity Assessments. To back up the Government's Welfare to Work program, Human Services has been asked to design a process to assess the capacity to work of people on disability support pension or NewStart allowance. The process will use people who can assess disabilities, such as psychologists and occupational therapists.

The department is looking at ways to reduce queues and cut the number of letters agencies send out. Centrelink, for example sends out 90 million letters a year. Alternatives, such as the use of SMS, or online systems, to inform people of an appointment or undertake transactions, are being considered. "We're not about one monolithic way of dealing with things," Scott says. "You know if a new baby's born, the parent has to give the basic information to Medicare Australia. Isn't it sensible that Medicare Australia, with their permission, passes that on to Centrelink?"

"This is a novel, small department and its got to be dynamic", she says. "I don't want to ossify into a large organisation trying to cover absolutely everything because that will detract from the service delivery ... and make us less relevant."

Scott probably took the prize for extreme public service working hours in the lead up to Christmas 2004. "I got caught out one morning because I came in early and got stuck in the lift," she says. "I had to call the service man at 5 am. It was very rugged – pretty full on." From her appointment in October until Christmas she frequently worked until 11 pm. But she did have a week of planned leave. "I'm a big believer in holidays."

Scott says she "likes a challenge" and believes she was chosen for the job because she had been in PM&C working in social policy and was familiar with some of the service delivery issues that the Government had been grappling with. Scott is an economist by training and has worked on policy development and program delivery. She jokes that she started off the job 12 months ago as a brunette (not quite true) and has ended up white haired.

She says her management style is enthusiastic and she thinks she motivates people. "I think I'm clear in what I expect," she says. "I like working closely with other people. I like working with teams. I'm not aloof." She points out that she got rid of the wall that a previous department had erected between the executive area she inhabits and the open staff area. "I thought it was ridiculous," she says.

In a moment of reflection she says, "Maybe I would have been luckier if I'd got a department which had a 50 year track record. On the other hand, if we've done it well then we can take credit, and if we've stuffed it up – and occasionally we have – well it's our responsibility." She is hands on but says she cannot be a micro-manager when she heads a department that looks after agencies employing 37,000 people. "You can't micro manage six CEOs simultaneously.

And you can't micro manage a really busy, even little, department. The day to day management of Centrelink is entirely the responsibility of Jeff Whalan. The responsibility for Child Support is entirely Matt Miller. But in terms of co-ordination, in terms of are they keeping on the task that the Government wants them to, that's a role I have to play."

She says if she had her time again she would have spent a bit more time explaining, especially to people who were feeling anxious about what the changes the creation of Human Services meant. Asked if she is referring to the heads of the six agencies, she says, "Sometimes the heads of the agencies, sometimes I'm talking about the policy departments themselves, 'cause not everyone's reading Shergold's speech and not everyone's got the time or the inclination to look at the PM's website. So a lot of time was spent initially on what's the difference between policy and service delivery. But, when it's all said and done, it's like trying to divide the ingredients in a chocolate cake. It's the two things coming together that make the cake."

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