



Department of Premier and Cabinet



The public sector in turbulent times

Maria Katsonis
Principal Adviser, Public Administration

VMIA Risk Conference
October 2009

Outline

- ❑ Drivers of change
- ❑ The need for agility
- ❑ The agility cycle
- ❑ Agility constraints
- ❑ The role of risk management

The public sector faces multiple drivers of change

trust globesity choice terrorism Brazil Russia
India & China levels of government generational
change twitter happiness index salinity open
source tree change & sea change climate
urbanisation south east asia diabetes biotech
public sector debt housing blogging genetically
modified values water empty nesters free trade
work/life balance knowledge economy salinity
social inclusion workforce participation private
equity oil 24/7 media depression biodiversity
skills facebook wild cards

The accelerating nature of change

- ❑ Change has always been constant for the public sector
 - 1918: Spanish flu
 - 1957: Asian flu
 - 1930s: Great Depression

- ❑ Speed and complexity of change has accelerated

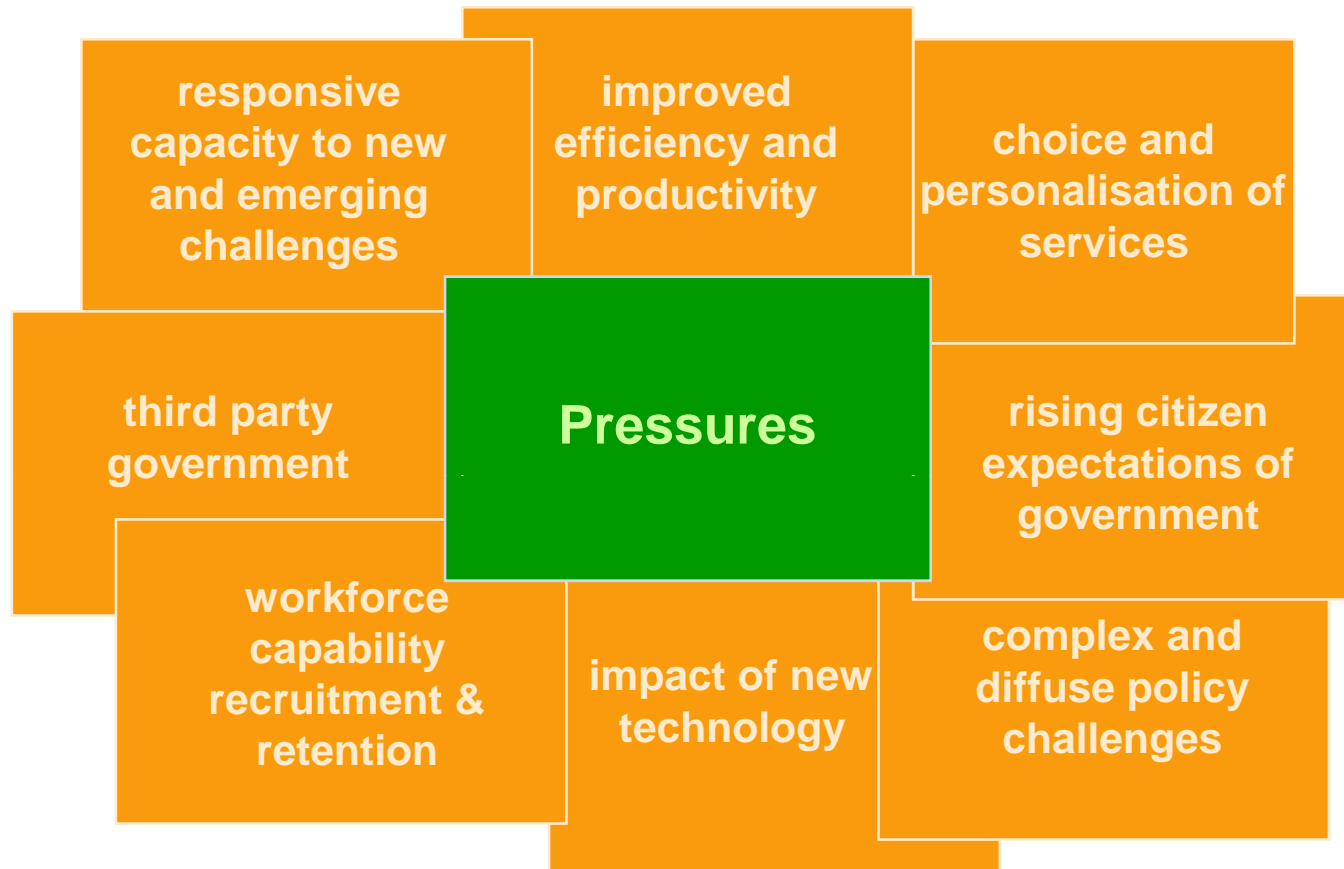
- ❑ Impact of globalisation and flows of capital, people, information and trade

- ❑ Changing geopolitical and economic boundaries

There is nothing permanent except change

Heraclitus, sixth century BC

Pressures on the public sector



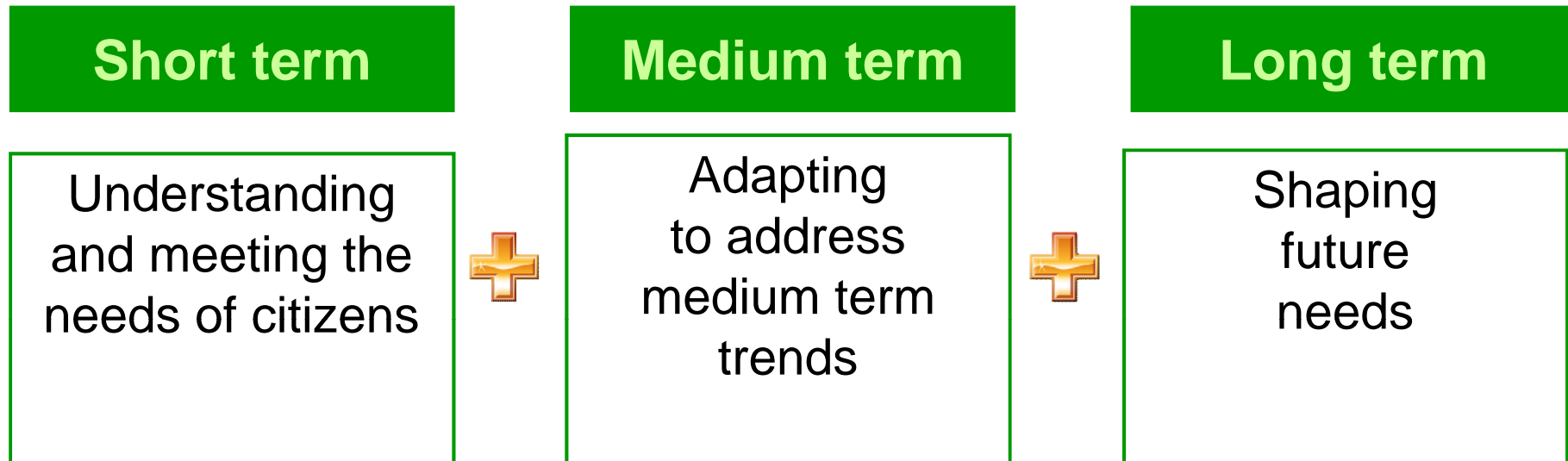
The traditional, hierarchical model of government simply does not meet the demands of this complex, rapidly changing era.

Goldsmith and Eggers, 2004

What does this mean for the public sector?

- ❑ Building and strengthening citizens trust in public institutions
- ❑ Developing more responsive public services that offer choice and personalisation
- ❑ Developing systems and skills to work effectively with the private and public sector
- ❑ Engaging across jurisdictions and portfolio structures
- ❑ Preparing to meet workforce planning challenges
- ❑ Fostering agility to support a high performing public sector

What does agility mean?

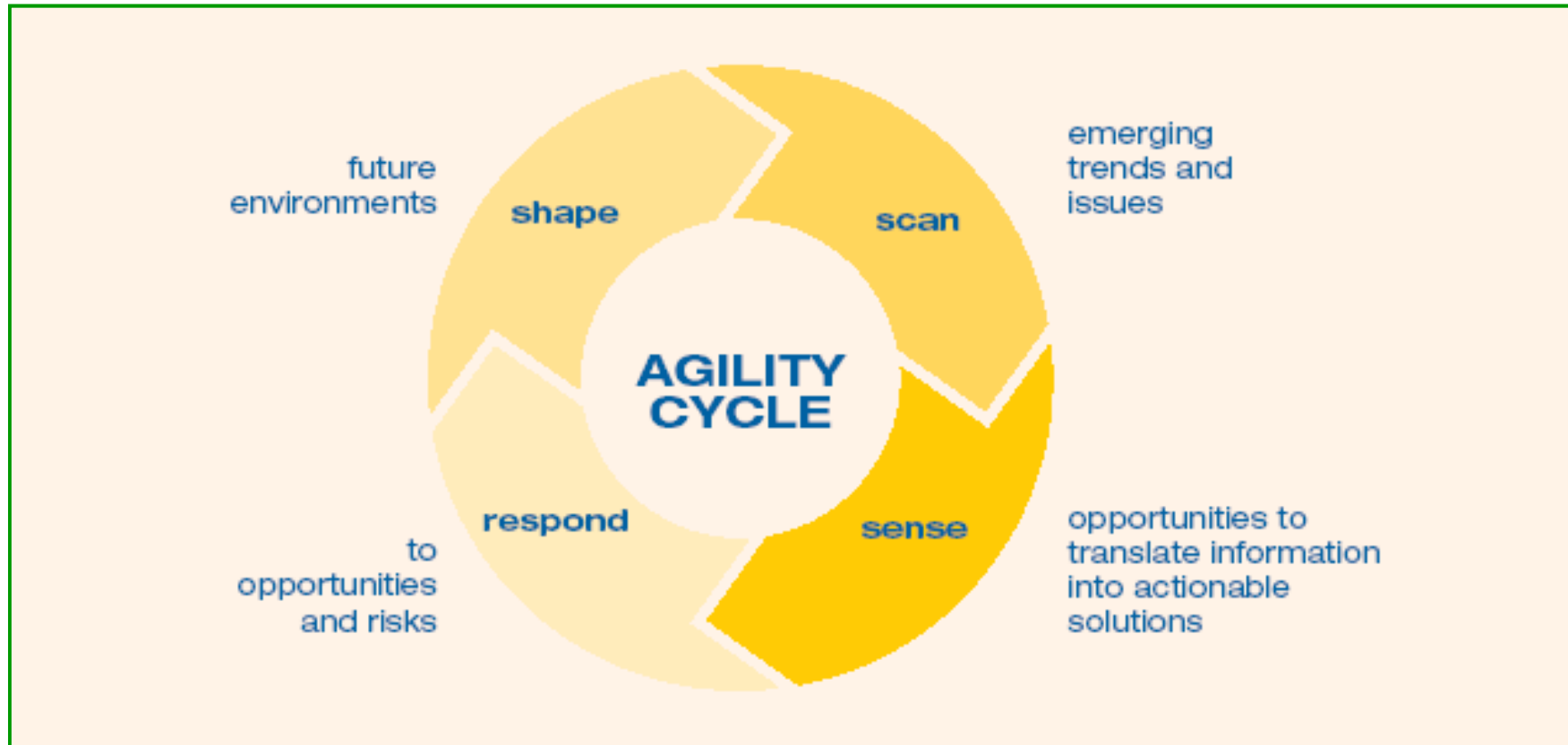


Source: State Services Authority

The uncertainty that the future holds means that the public sector cannot predict many of the challenges that it will confront. The public sector requires agility in its systems, structures and processes.

State Services Authority, 2008

Agile organisations move through a continuous cycle



Agility constraints

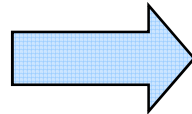
- ❑ Limited information sharing
 - locating and accessing the right kind of data
- ❑ Risk aversion
 - lack of tolerance for failure and high levels of scrutiny
- ❑ Cultural constraints
 - encouraging collaboration, reciprocity, trust and innovation
- ❑ Institutional structures
 - aligning the vertical with the horizontal

Towards agility

- ❑ Create accessible spaces for shared understanding
- ❑ Innovate, learn and implement
- ❑ Network and collaborate
- ❑ Foster workforce flexibility and adaptability
- ❑ Balance short and long term priorities
- ❑ Engage citizens in decision making

The role of risk management

a strategic tool

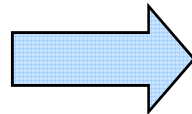


Between now and 2018, across which of the following aspects of your risk management function do you expect an increase? Please select all that apply.
(% respondents)

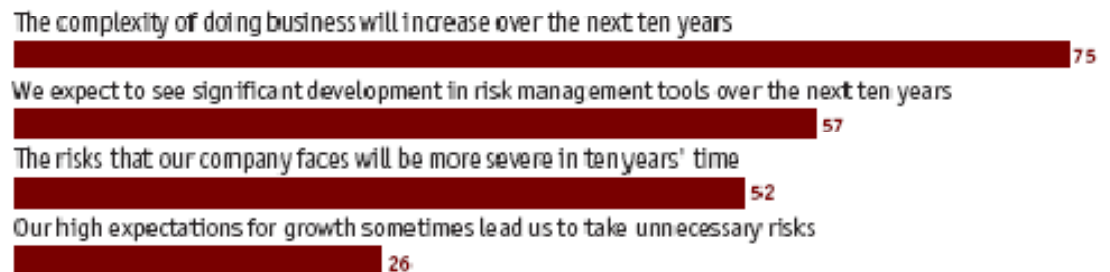


Source: Economist Intelligence Unit survey, 2008.

a better understanding of uncertainty



With which of the following statements do you agree?
(% respondents)



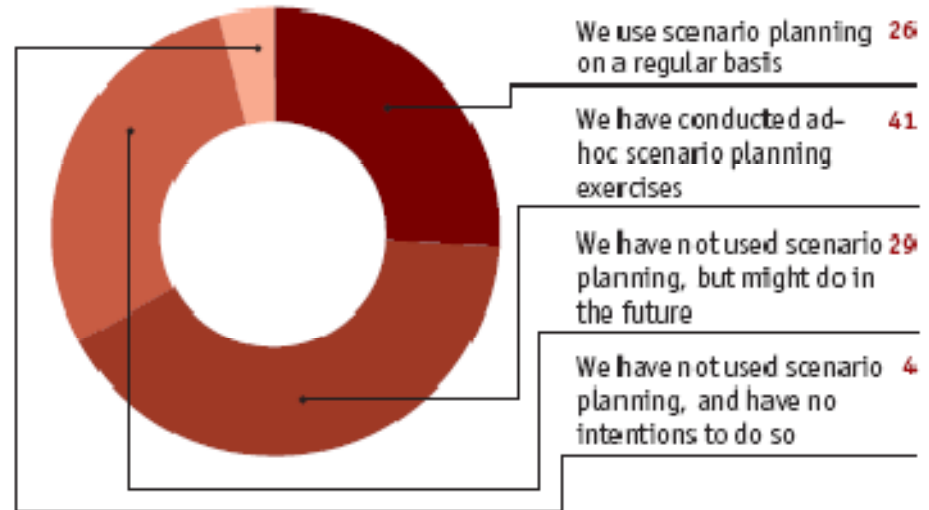
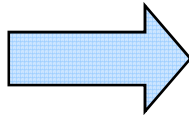
Source: Economist Intelligence Unit survey, 2008.

The role of risk management ... (2)

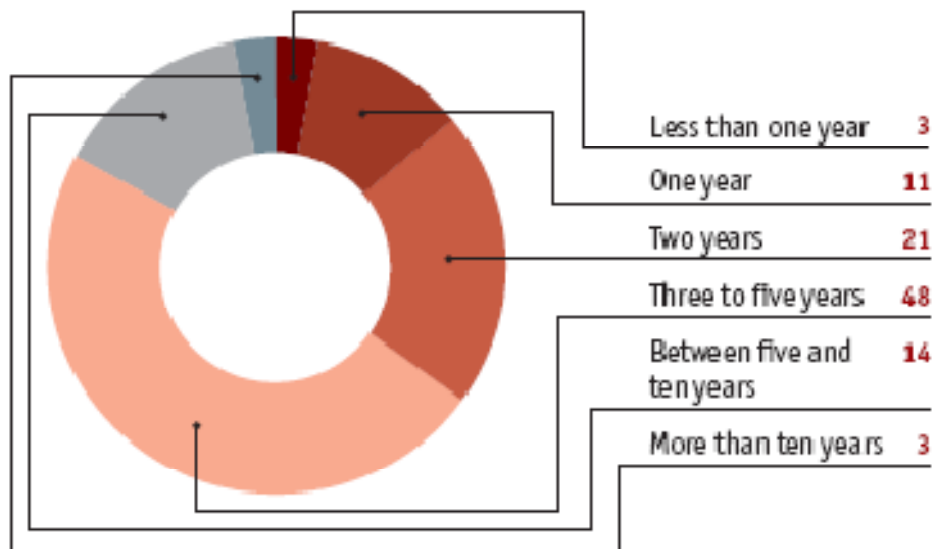
- ❑ Embedded within and linked to strategic planning
- ❑ Parallel dimensions
 - keep me out of trouble
 - do my business better
- ❑ Source of competitive advantage
- ❑ Shift from quantitative to qualitative
- ❑ Focus on how to prepare an organisation for an uncertain future

Navigating uncertainty

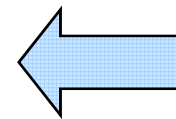
strengthening scanning capabilities



Source: Economist Intelligence Unit survey, 2008.



Source: Economist Intelligence Unit survey, 2008.



broadening time horizons

And to finish ...

Prediction is very uncertain, especially about the future

Niels Bohr

A little bit of uncertainty is good for everybody

Henry Kissinger