

**Speech to the IPAA (Institute of Public Administration Australia)
NSW 2010 State Conference, Sydney,
by the NSW Attorney General John Hatzistergos 22 July 2010**

Let us firstly acknowledge the Gadigal people...
....the original custodians of this land.

Of course, we are all custodians in aspects of our lives....
.... at least any of us with responsibilities are...
....and this is, of course, most of us.

We have responsibilities to our families, to our friends, to our
employers and colleagues.

But as public servants you also participate in a particular societal
compact...

....you are custodians of the myriad services and
structures...
.... that make life in NSW, as we know it, possible.

You are the custodians of the health, the education...
....the well-being, the safety, the prosperity and rights...
.....of the people and families of this state.

Now, the overall needs and aspirations of those communities are
fairly constant.....

....security, peaceful order, decent health, good education....

But the way in which those things are delivered...

....and expectations about them....

....have changed and continue to change rapidly.

Public sector now deals with issues and technologies...

... that would have been unthought-of a generation ago...

Similarly there are many aspects of public sector business a generation ago...

....that simply no longer exist today...

....and many tasks previously thought to be exclusively a government domain...

.....are now handled by private enterprise.

But when it comes to the really big stuff...

...the big issues....

....the big infrastructure....

....the big reforms...

....then democratically-elected Government remains...

....the only instrument...

.... with the combination of authority...

.....and checks and balances...

.... to manage these vital tasks.

**And I believe that all public servants...elected or employed...
join and stay in public sector for this reason....**

....to be a part of something bigger than simple profit...

...to know that the work you have done...
.....has contributed to the very structures...
....that we all quietly rely on.

In fact, we rely on them to such an extent...
....that they are sometimes only noticed in their absence.

We otherwise take things like...
....the quality of our educations
...the safety of our communities....
....the stability of our infrastructure...
...as being akin to software.

Not many of us understand software programming....
....it is something that is simply there...
....it runs in the background....

In fact now we don't even see it unless there is a problem...
...and it is only at that point that we might have pause to
consider "how this stuff actually works"...
...and perhaps, appreciate that other people have
made it happen.

Earlier this year the NSW Premier addressed the NSW Police
Association...

....and said that she thought our Police officers will never get the
level of public recognition that they deserve....

.... mainly because public attention on what the Police achieve is defined by the negative.

When a crime occurs – it is trumpeted from the roof tops.

But when our Police make thousands of interventions each day...
.... to prevent crimes from occurring that otherwise would....
.....nobody sees it – nobody notices.

I see very many similar things when it comes to the Judiciary.

When a person is sentenced for a crime – you will definitely hear about it if it is perceived to be lenient, but you will almost certainly never hear about it if it is perceived otherwise.

But when judicial officers make thousands of interventions each day...
.... to refer defendants to programs to address the causes of their offending behaviour....
.....nobody sees it – nobody notices.

And a similar thing can be said for almost every aspect of the services Government provides...

In NSW we are blessed with one of the most-stable and successful democratic systems in the world.

We continue to retain a level of economic prosperity...
...a quality of environment and a quality of life...

....this is truly enviable on a world scale.

And a critical component of that legacy...

....is the excellence of our public service.

I am proud to count myself as part of that public service...

....as does the rest of the cabinet team.

**But while Ministers can, and should, make smart decisions
and create good policies....**

... it is only through our public sector...

.... that these decision and policies...

...can transform into positive, practical changes....

...that improve people's lives.

And look at the changes you have already brought....

In education....

- We have literacy and numeracy standards that are not only the best in the country but among the best in the world.

In health...

- We have 90% of all public hospital patients rating their experience as good, very good or excellent.
- We have the best performing emergency departments in the country on national benchmarks.

- We have Australia's first State Cancer Plan, Cancer Ministry and Cancer Institute....we are now recognised international leaders in the fight against this global disease.

In safety...

- Property crime in NSW has halved since 2000 and record numbers of police are keeping us safe.
- 16 out of 17 major categories of crime are stable or falling
- Significant new child protection laws have been introduced and programs funded.

In transport....

- We have obtained an unprecedented 96% on-time running for our railway network
- We have opened a new heavy rail line – servicing the Macquarie business growth centre, and we are building a new south-west heavy rail line as we speak.
- And we are expanding light rail – taking this from a “spur line” into a real modern transport solution for our inner urban areas.

Now, these are just examples of headline achievements...

.....there are literally pages upon pages of achievements that I could speak to...

My point in highlighting these is that I am proud not only of what we have achieved ...

....but the way in which we have achieved it together.

We have achieved some great changes for the public we serve....

...through a cooperative, collaborative approach....

.... that improved not only what we deliver...

.... but how we deliver it.

We have:

- Opened Government Access Centres across NSW;
- Increased the number of government services available online;
- Introduced automated purchasing and eTendering technology to reform Government purchasing and tendering, simplifying the way we and suppliers do business;
- Supplied high-speed broadband to regional NSW, connecting our colleges, hospitals, police stations and enabling services such as teaching in small or remote schools and video conferencing of court and other proceedings;
- And we have established major government agencies in regional centres to support our regional economies.

And now we are implementing the most significant reform of the NSW public sector in 30 years....

.....160 Government agencies have now been amalgamated into 13 clusters.

This significant reform will improve service delivery for our communities....

....and benefit public sector by improving support functions, capability, skills and knowledge.

But few achievements describe how we achieve things together....

**...like the way we tackled the unique opportunity...
... of health funding reform earlier this year.**

On 20 April, COAG agreed to fundamental structural reforms...

....to change the way that health services are funded, operated and delivered in Australia.

We have agreed to:

- establish Local Hospital Networks to run hospitals on a day-to-day basis
- pool Commonwealth and State funding to simplify payments
- accelerate the roll out of Activity Based Funding (ABF), providing for better linking of budgets to activity
- but, importantly, we have protected block funding for small rural hospitals that are unsuitable for ABF

The deal struck means billions of extra dollars for NSW health....

....hundreds of new beds....

...thousands of additional treatments.

There is not a community in this State that will not, in some way, see the benefit of this reform over the next four years.

**And amongst the many things pleasing in all of this...
... is how we prepared for our negotiations at COAG...**

....we did so in partnership...
...with the health workers, doctors, nurses and advocates...
...that would be responsible for implementing any changes achieved at COAG.

With a limited time to prepare....
....we provided a discussion paper....
....convened consultative forum...
....and sought the views of the delivery arm of Government.

As a result... NSW went to COAG best prepared of any State Government.

And testament to that result is that the position that NSW took to COAG is the position that prevailed...

...the position that created a better result, not only for NSW communities, but communities across the country.

**This is the benefit of the positive, cooperative approach...
....that defines our modern NSW public sector...**

**....that you can respond to change...
....productively and sustainably.**

And this is what is needed in health, an area in which:

...shifting demographics...

...rapidly changing technology...

...and changing community expectations..

...have caused an unprecedented shift in funding demands.

This requires a paradigm shift in health funding and health management.

**It is the kind of change that we can only deliver
successfully...**

.... in partnership....

.....and with a collaborative approach.

Because what is the alternative? Cutting services?

I believe that approach has been tried in health, to disastrous effect....

...indeed this Government spent much of its early terms rebuilding the health system....

....literally reopening or repurchasing hospitals that had closed or been sold.

But, if you subscribe to the views of the Opposition Leader...

....who you will hear from this afternoon...

.....there is a third way....cutting 'fat'.

We have an Opposition that regularly states that unfunded promises...

....to the tune of billions upon billions of dollars....

....will be funded through “efficiency savings”.

Well, health is the biggest item on our budget, so where would these savings be in our health system?

The fact is that of 100,000 or so people who work in our health system.....**just four per cent of them are corporate staff.**

All the rest are people who work directly towards the care of patients...

....whether they are doctors or nurses, or cleaners or cooks, or other people who are involved in care.

This only leaves 4% who are in administrative and management roles....

....and there is no business that can run without administration – certainly no large one.

And health – like every other area – is an area in which good administration is important.

We do still want patients to have records don't we?

So what is there to justify regular sound bites...

....about billions of dollars of “inefficiencies”...

....laying in wait to be cut?

And while the soundbites may be aimed at people like me....

....the impact, should those soundbites translate into reality...

.... will be felt by people like you.

***You* are the reality of Government.**

***You* are the real frontline.**

***You* are the people who deliver services...**

.....often in the most difficult and challenging circumstances....

....circumstance that the private sector simply would not operate in.

And this brings me to one last point.

That the ‘business’ of government is unique.

There is not a single other field of enterprise that has uncapped demand for un-chargeable services.

Our businesses are not like any other business.

Our budgets are not like any other budget.

We don't get to choose our business, pick our clients and charge our costs, plus a rate of return.

And I say this because I have often heard the both the Opposition Leader and Shadow Treasurer say....

.....that ***“no business could be run like this government.”***

Well, ladies and gentlemen...

...we have bi-partisan agreement on this point.

They are absolutely right.

However, it is no insight.

Services which markets can do efficiently and competitively have already been largely devolved to private sector.

What remains of government activity is properly focussed...

....on those things which can never be managed...

...”like an ordinary business”.

We are here for the people who cannot be serviced at an efficient profit...

...only at an efficient cost.

Anyone who claims government can be run like a corporate business...

....is failing to understand the challenge of delivering government services...

... and frankly they are failing to understand the reason for delivering government services.

Now, there is of course a reason why I speak of these things today.

An election is coming.

Last election we saw overt promises of large cuts to the public sector.

The people of NSW rejected these....

....well aware that when you cut the back line, you cut the frontline.

But we are already seeing language that panders to the outdated notion that our public sector is “soft and bloated”.

And it is outdated.

It relies on ignoring the economic reforms of the past two decades.

The fact is that, in a post economic rationalist world...

....any service that can be profitably done by the private sector
IS done by the private sector

The fact is that any cuts that are easy to make, have been made.

The fact is that we are left with an essential frontline...

....and with a limited administration...
.....that directly supports that frontline

So in this context, to leap on radio and talk of “putting the whole bureaucracy on notice!”...

**...as the opposition leader did on April 12....
.... looks like old politics.**

Politics that create a problem for people to be angry about...

....and then announce the solution to the problem that never really existed.

We have rejected these politics.

We have long-since embraced a modern, cooperative, collaborative approach.

**That approach has delivered real, permanent efficiencies...
.... while protecting some of the best service delivery...
....of education, health, transport and security...
.... anywhere in the world.**

That approach has allowed us to adapt to huge external changes....

**..... in areas like health, urban planning and transport....
..... in a structural and sustainable way.**

That approach has allowed us to deliver an unprecedented investment....

**.....in housing, major projects and infrastructure....
....which has underpinned NSW's leadership out of the
GFC.**

And that approach will allow us to continue....

**....to be able to adapt to the shifting needs and
aspirations....
....of the people and communities of NSW.**

**So let's keep moving ahead – we've seen the old ways and we
have left them behind.**

I thank you for your time today.