# SPEECH

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# **APSC Leader to Leader Series**

# 5.00 pm Thursday 11 November 2010

### Acknowledgments

I would like to acknowledge the Ngunawal people, traditional owners of the land on which we meet today and in a spirit of reconciliation pay my respect to their elders past and present.

#### Introduction

Thank you for that kind introduction Steve. It's a pleasure to be here today.

For those of you would like to know a bit about me, I am a career public servant. I realised I was a career public servant after about 20 years when I woke up and thought "good heavens, I must be a career public servant!".

I joined the APS by accident I went to uni at the ANU and went a long with friends o the APS entry exam. There were hundreds of people lined up all at desks at the Campbell High School and the person next to me fell asleep, so I thought I might be in with a chance!

I was first made a Secretary in 2004 and I am currently the sixth longest standing Secretary. There are 20 secretaries at present and 3 of us are women.

At DEEWR, we administer \$43 billion a year on behalf of the Australian taxpayer. Our staff costs represent 2% of that amount. That means we have about 6000 staff in 49 locations in Australia and 10 overseas. Other than the Department of Foreign Affairs and Trade we are the only department that has

two Cabinet Ministers. But different from the Department of Foreign Affairs and Trade, we also work to two non-Cabinet Ministers and a Parliamentary Secretary.

When our current Prime Minister, Julia Gillard, was Deputy Prime Minister, she set up DEEWR to focus on productivity. In particular, to focus on the contribution <u>people</u> make to productivity. In other words, how do Australians' skills, education and personal capacities contribute to national prosperity.

Of course the relationship between people's skills and productivity is direct.

It's been said that a 1% increase in literacy among adults would increase GDP by 1.5%. And yet, 4.5 million Australians are not literate enough to operate effectively in the modern global economy, according to the OECD. This figure includes 60% of all unemployed people.

DEEWR looks after people from what I like to call "cradle to <u>almost</u> grave!" We deliver programs for little kids through childcare and early learning, through schooling, transition to a job or further education, employment, support for the unemployed and fair workplaces. But we don't do aged care!

#### **DEEWR: the early years**

DEEWR kicked lots of goals in the most recent term of government from when it was first established in late 2007 through to the election in August this year.

Major microeconomic reforms are underway.

For the first time since federation there will be standard consumer protection across all 11,000 childcare centres. Every four year old will have access to pre-school.

The first ever national curriculum is being finalised now. Every senior high school student will have a computer. The MySchool website is a huge hit with parents because for the first time in Australia anyone can see how their kid's school is performing on the basics, compared to statistically similar schools.

Higher education is being de-regulated to allow all comers. Vocational education has been a major response to the global recession.

Support for unemployed people has been revamped and is better helping very disadvantaged people.

The workplace relations framework has been entirely replaced from Work Choices to the Fair Work Act.

Above and beyond all this, DEEWR takes a special focus on helping indigenous Australians.

#### **Return on Investment**

Last year we commissioned Econtech to tell us what some of these reforms might contribute to the economy.

Econtech considered a range of reforms. For example, Econtech's modelling said that the Government's parental leave scheme could lead to an average increase of 1.9% to baseline GDP to 2040.

That is more than \$1,200 per person every year, on average, for the next thirty years.

Econtech's modelling also estimates that the early childhood reforms could generate up to a 1.5% increase in the productivity rate by 2040 and an average increase of 1.1% in employment every year to 2040.

Taken together, these mean an average annual boost to the economy of around \$9.9 billion.

In schooling COAG has agreed that we should aim to lift year 12 or equivalent attainment to 90% by 2015.

Econtech's modelling tells us that reaching that goal could generate up to 0.6% more GDP to 2040 and a 0.4% boost in employment to 2040.

This means an annual gain to the economy of around \$11.3 billion, or \$416 per person every year on average over the next thirty years, compared to what would otherwise happen.

Overall Econtech reckon reforms will add \$100 billion every year to 2040 which is the equivalent of an extra 500,000 jobs each year.

One of the pleasures of being in the public service is that we know our work helps kids and families every day. We are really making a difference.

#### Creating DEEWR—the challenges, the opportunities

Before we embarked on this ambitious agenda, we first needed to come together as a fully functioning department.

In 2007, DEEWR's formation involved joining two former departments and a large part of a third. Each of these departments had very different organisational cultures and as a result meant bringing together groups of people who had very different views about how things should operate. Half of the organisation knew me well, while the other half didn't.

It was the equivalent of a major merger in private sector terms, without any time to plan and without any funding.

We used a formal change management approach. I set up an Establishment Taskforce and some our best and brightest were brought into it. We had to capture the <u>past</u>, such as lodging our old websites with the National Archives.

And we had to create our future, in a way which would be seamless to customers and invisible to government.

Of course all the issues relevant to any major merger had to be considered: IT alignment, remuneration, records, property and assets, communications and so on.

Literally overnight I found myself with two CFOs, two CIOs, two Chief Lawyers, two state managers in every state and a huge number of unconnected leases.

In my view, though, the most important piece of work was the cultural piece.

We used an extensive communications strategy. We used multiple channels to communicate out to people and offered many different ways in which DEEWR people could be heard, including anonymously.

I spelled out my vision for our organisational culture and we enshrined it in our Strategic Plan in what we call our "Approaches": Find solutions and deliver results, Care for people; and Connect and Engage.

But of course constant vigilance is required: there would still be some people who think you can't find solutions and deliver results, <u>and</u> care for people, at the same time.

The best test on how well it worked is that we delivered the Government's large reform agenda successfully.

The size of the massive reform agenda has, however, taken a toll. People have worked so hard, not only to implement reform in all areas but also to implement measures to respond to the global financial crisis.

In addition we now face resource constraints which mean that we need to support our people even more than ever before. It is hard to work out how to do less with less but that is the challenge we face.

It will require strong leadership from pretty well everyone in DEEWR.

### Leadership

My own views on what leadership is, have been influenced by some Australian research from the 1990s.

This research surveyed Australian workers about what they wanted from their leaders.

They said they wanted their leaders to be able to do two things:

They wanted them to be able to describe the strategic direction and they wanted them to care for people in a genuine way.

In terms of describing the strategic direction this means articulating: Where is my team heading? Where is my Branch heading? Where is my Group heading? Where is my cluster heading? Where is my Department heading? Where is Australia heading?

Articulating the strategic direction is not something we tend to do naturally. You don't tend to come in after a weekend and say, "hey I what do you think about the strategic direction?" You tend to come in and talk about the footy or what the kids got up to or whatever.

it requires deliberate attention in your branch or group meetings or in whatever way works for you.

The research also suggested that it is important to be able to describe the strategic direction differently, according to the different styles of people on your team.

Some people will just need the destination described. Some people will want to know that there is a brick bridge to the destination and that there are six lanes of traffic on that bridge. Some people will need every brick in the bridge described.

In terms of caring for people, I think this comes down to fundamental behaviours. Being respectful, consistent, fair, positive, optimistic and decisive for example. People hate bosses who are inconsistent – nice then angry, or moody.

Of course each of you is a senior person in your organisation. This means that you are watched closely.

I imagine you have noticed that you are watched more closely at each level you have achieved.

Your people give you power, just because of your position. In my view you don't need to take power or to prove it.

In my own leadership I try to play down the power that is ascribed to me simply because of the position I hold. I can do that through humour, a sense of calm, casualness, making sure people call me by name not title and so on.

By doing so I hope, for example, that no one would ever feel shy of telling me bad news.

Some of the best leadership is the most subtle. It is really fantastic when you've exercised leadership in a way where the team have thought of the answers themselves. It is empowering.

It is also important to be authentic about your leadership. I am a big extrovert and so I'm perfectly happy to stand up in front of groups of people and speak. But not everyone is, and that's fine. Some great leaders take a more one-onone approach and it works for them.

Leadership should also be values based. It is important that you reflect explicitly on your own values in the work place. This is important because it informs your own behaviour.

And I'll also mention self-awareness.

It's really important to understand your own style of working and to make sure your team has in it, people with as diverse a set of styles as you can find. The product will always be much better for having a range of approaches and views.

Raging extroverts like me, for example, can appear frustratingly changeable to people who don't need to talk to think. This drives high introverts crazy. If you are more like me, remember that the person who hasn't yet spoken in a meeting probably has the most insightful thing to say and might need be to be invited to do so.

### **DEEWR Today**

So what is DEEWR doing now on leadership? I will touch briefly on three different approaches we are taking and finish there.

Firstly, we are experiencing generational change—young people joining DEEWR who communicate through social media and move around a lot.

We were among the first in the Australian Public Service to allow Facebook and other social media applications into the daily work environment. Today blogs, wikis, sharepoints and twitter are becoming common place in the department.

### Growing our leaders in DEEWR

Secondly, we are supporting our key leaders.

We have introduced new leadership programs targeting senior executive and executive managers. These programs have been designed to be innovative, highly customised and relevant to the leader's work at DEEWR.

One of these programs will see a number of our people working with the Australian National University on policy development and analysis. This is a very exciting opportunity for DEEWR and one which we hope to continue into the future.

The programs will offer many ways for our leaders to understand their own style and therefore to appreciate the need for teams to be diverse.

The programs will feature a real work challenge of people's choosing.

I am working with small groups of our Executives to spell out my expectations of their leadership and act as a sounding board.

Thirdly, this year we launched a major innovation strategy in the Department. It's called the Big Ideas. We encourage our people to put forward ideas and have them implemented across the organisation. These ideas range from the establishment of wellbeing officers to coordinate activities to help employees obtain a balance at work, through to innovative ways to deliver programs in remote communities, through to wearing name tags.

Big Ideas is about nurturing a culture of engagement, innovation and openness. Encouraging staff to come up with ideas about how we go forward as a department contributes to our continuing drive to be a high-performing department.

Thank you.