

Would Greater Diversity of Career Experience Benefit SES Public Sector Leadership?

Dr Craig Fowler, November 2024

Abstract

- **Diverse career experiences can transform public sector leadership, enabling more innovative and effective responses to contemporary challenges.**

Dr Craig Fowler examines whether greater diversity in career experience among Senior Executive Service (SES) leaders could improve leadership effectiveness within Australia's public sector. The paper highlights the lack of significant private-sector experience among SES leaders and questions whether this "clonal" leadership model adequately equips the public service to tackle contemporary challenges.

Drawing on the 2019 APS Review and subsequent reports, Dr Fowler explores the limited progress in recruiting external talent and fostering cross-sector mobility, while critically analysing the barriers to integrating diverse career perspectives into the SES. The analysis extends to comparative frameworks, such as the US federal government's SES structure, which blends internal public service expertise with external private-sector appointments.

Dr Fowler argues for a balanced approach where SES teams combine public-sector acumen with private-sector insights. The paper concludes with recommendations for reform, underscoring the transformative potential of diversified career pathways to enhance public sector leadership and deliver more impactful national outcomes.

Introduction

- **Exceptional leadership thrives on diverse experiences; public sector leaders must broaden their horizons beyond public policy expertise.**

Are you: a better coach for having played the game at highest level; a superior baron of a media corporation if you started as a desk journalist; a smarter tech billionaire for having cut code; an out-performing venture capitalist if once a failed entrepreneur; a far-sighted head of NASA if you journeyed as an astronaut; or a more compassionate general if you had combat experience?

Whilst exceptional leadership is closely tied to innate ability, extended 'on job' career experience undoubtedly informs and benefits executive performance. Yet not everyone gets to be, or wants to be, leaders. Some are knowledge creators or prefer to be subject matter or technical experts.

Smart leaders know what they don't know, so employ specialist staff or tap into expertise. Expert advice is essential whatever the endeavour, whether its technology-laden e.g. launching rockets, or human-laden e.g. launching kids by effective early childhood education. It works best when leaders can strategically assess such advice, through the long lens of their own work experience.

Does any of this apply to contemporary leadership in the public service? Our senior public service leaders are overwhelmingly recruited on merit from within their own clonal ranks as professional, neutral and specialist in '[public policy and processes](#)'. Their knowledge of industry sectors upon which they may advise on policy, laws and programs might be characterised as both 'vicarious' and 'partnered'. Vicarious as they have no or limited 'firsthand' experience of

working within such industries; and partnered because of their mandate to engage, exchange, understand and build trust with industry and community. Hence the APS [Charter of Partnering and Engagement](#).

Does this work? Where and how does the public service tap into contemporary specialists whose job is to launch rockets, or kids? What influence are external consultants and political advisors, given [politicisation](#) of policy making having part eroded the public sector's past monopoly?

This is a [decades old](#) question - would a greater diversity of lateral career experience benefit the public service as a whole and those elevated to lead it? Do current leaders of the Australian Public Service (APS) Senior Executive Service (SES) have significant career expertise outside of the public service? Would SES teams perform better for greater diversity of external experience?

Findings of the last review of the APS and recommendations on SES 'external experience'

- **Diversity of career experience is recognised as vital but remains hindered by inadequate incentives, recruitment, and support mechanisms.**

Recommendation 24 of the 2019 APS Review "[Our Public Service Future](#)" said: "Overhaul recruitment and induction to reflect best practice, use APS's employee value proposition and target mid-career and senior talent outside the APS".

It noted, "While diversity of experience is widely recognised as highly desirable, particularly for those in leadership positions, the APS lacks incentives to encourage it" (pp.204). It noted that 28 percent of SES-level external recruits leave the service within two years of commencing (pp. 213), twice the number of other external recruits below SES levels. This higher attrition was said to be due to a lack of suitable induction and support of external SES-appointees.

Actions taken to encourage and implement external SES appointees and secondments

- **Efforts to enhance cross-sector mobility for SES leaders have been slow and inconsistent, limiting fresh perspectives in leadership.**

Evidence suggests minimal progress over 4 years. An APS status report (2023) says actions on [Recommendation 24](#) are "underway" with the Secretaries Board listing 'recruitment from other sectors' as being 'under consideration'. The Secretaries Talent Council [Terms of Reference](#) does acknowledge 'options' for attracting exceptional individuals to senior APS levels from outside the APS (public servants from other governments, not necessarily the private sector).

The latest Australian Public Service Commission (APSC) [State of the Service Report](#) (2022/23) notes 'evolving its approach to identifying internal and external leadership talent' (pp.82) and, whilst having extensive internal leadership mentoring programs states, 'work has also begun to expand the talent pool of those who could compete for senior roles by providing opportunities for recruitment from outside of the APS' (pp.82). It notes that recruitment to replace a retired Secretary in June 2023 was 'the *first* time a Secretary role has been publicly advertised' (pp.82).

With regards to mobility and secondments, the 2019 [APS Review](#) states: "Secondments and other movements into, and out of, the APS is even more limited and variable. This is of serious concern. Mobility of this type ensures that public servants have insight into the pressures shaping other sectors, including the impact of policy and regulation. It also gives people from

other sectors an insight into how decisions are made and implemented in the public sector” (pp 203). The banking and business sector gave strong industry support for APS secondment programs.

There are limited examples of [public/private](#) sector exchanges at the SES level, and ‘if you dare’ advice from ex-SES/senior level staff who have [departed the APS](#) for the consulting industry.

Evidence of current APS SES having significant ‘external to public service’ experience

- **Australia’s SES leaders overwhelmingly lack meaningful private-sector experience, raising questions about leadership diversity and adaptability.**

Whilst promoting it, the 2019 APS Review provided little detail of the extent of SES-leadership having significant external to public service work experience. Nor did it set specific measures.

So, it is assumed here: ‘significant’ means at least 4 continuous full time equivalent years of mid to senior level employment; and ‘external to the public service’ implies the private sector and excludes domestic (state) and most international public service. Some career experience is harder to categorise, e.g. within universities (technically part of the public sector) and like government funded bodies, e.g. independent secondary statutory/non-statutory authorities (see below).

Applying these ‘counting rules’ a crude-scan of the available information on the current APS-SES leadership (via public organisational charts, SES profiles, LinkedIn profiles) was made, with the following results. Crude because of the obviously inexact and inconsistent information sources.

In summary the information assembled from career profiles of some 15 Secretaries and about 60 Deputy Secretaries across the APS-SES (generalised to best respect privacy) shows:

- Almost all being career long public servants in the APS, with significant numbers having also had executive positions in State public services and some international.
- Most typically, had SES or senior level appointments in at least two, often three or more agencies, with rotation about central agencies of PMC, Treasury, Finance common.
- Some examples where individuals had senior experience at government funded bodies, such as independent specialist government authorities e.g. ABS, ATO and a few secondments with international bodies e.g. APEC, WTO, IMF.
- Private sector employment was limited. Overwhelmingly, such experience was only in consulting (the ‘big 4’ and a few smaller). The majority of ‘claims’ when checked ranged from months to less than 4 years in such roles (seemingly between public sector roles), with only rare exceptions of a decade or more in ‘big firm’ consultancies, at senior level.
- Personal profiles thus set a low bar to claims of ‘significant’ private sector experience. There is very little evidence of any employment in say ASX200 companies, in large private sector firms, or in national charitable organisations.
- The one exception was in the massive expenditure of defence procurement, with SES appointments likely made because of past CEO-level careers in major defence companies.
- A few held multiple successive mid-level private sector jobs, summed around 4 years. A few were examples of university academic/associate/adjunct type roles; one extensive. One was

a lateral transfer after extensive military service to the SES to an unrelated field. A few were examples of senior legal practitioners early or at start of their career.

- A few held past roles as senior Ministerial political advisors, more normally but not exclusively, those at Secretary level.
- All held multiple qualifications, mostly Australian, some international, some stated professional memberships typically IPAA, CPA and a minority were GAICD with very few having Non-Executive Board experience.
- A significant minority gained benefit in temporary emergency roles in the COVID crisis.
- Finally, the SES is overwhelmingly drawn from a single cultural background and heritage.

Comparison of public service SES systems Australia v USA

- **The US SES model integrates private-sector expertise effectively, showcasing a pathway for enriching Australian public service leadership.**

The US Government has [Executive Departments](#) (Cabinet Agencies) under Presidential supervision. These are broadly equivalent to the [Australian Government Departments](#) (AGD) by portfolio. They have in common political leadership (Secretaries - USA, Ministers - Australia).

In the US Government, Deputy Secretaries of federal Cabinet Agencies are political appointees and are not typically career public servants. They are chosen on both political alignment and policy expertise demonstrating career and industry experience within the relevant portfolio. Appointees are typically confirmed by the Senate and may cease in a change of administration.

Within US Cabinet Agencies, in the main, senior SES leaders are appointed by conventional merit-based means from within the public service, but a discrete and promoted SES entry point exists for direct external recruitment. No single agency can have more than 25% of its SES positions filled by 'direct/political' non-career appointees within an overall [hard cap of 10%](#) government wide. This ensures most SES positions are merit-based public service appointees.

By these means a minority proportion of senior SES appointees (whether political appointees or not) have significant 'external to public service' work experience. Example recruits¹ have been made from the private sector in diverse disciplines e.g. management, finance, technology, innovation, agrisciences, healthcare, pharmaceuticals, legal and regulatory.

'External stream' appointees in the US are reported to need stronger induction and mentoring support to successfully adapt to a public-service environment, but they provide fresh perspectives and specialized skills from industry (e.g. in innovation/industry, or in research/education).

Multiple bodies serve to link the APS SES/public service with stakeholders and community

- **Advisory bodies offer untapped potential for diverse expertise, but their influence on SES leadership remains underutilised.**

Both US and Australian systems have extensive numbers of organisations and bodies that sit beneath head agencies. The US had many hundreds of [non-Cabinet agencies](#) that operate independently of the Executive departments serving statutory, regulatory and advisory roles.

¹ Multiple historic and current examples of individuals indicated via CoPilot targeted queries

There are 1,315 such bodies listed on the Australian Government (AG) [Organisations Register](#) (Sept.24), with these [classified](#) into 13 different types of bodies . The latest [dashboard](#) shows 242 statutory ‘advisory’ committees/offices and 310 non-statutory ‘advisory’ committees.

Dominantly these ‘advisory’ bodies are associated with Health and Aged Care, Infrastructure Transport and Regional Development, Climate Change Energy and Environment, Treasury, Defence and Agriculture, Fisheries and Forestry. The following are general observations.

Many of these advisory bodies are long established and whose leadership/membership includes individuals selected for their industry/community experience. It is a potential pool of talent that may elevate to SES levels. Some SES members do have work experience in AG bodies e.g. ABS.

Given the thrust of ‘operating efficiently as one APS’, there are scant examples where such advisory bodies operate Government-wide. A prime needed example is to establish a [National Research Foundation](#), akin to that in the USA or Germany, to overcome the long standing institutional fragmentation of Australia’s research system spread across multiple portfolios.

The new Australian Government [Consulting](#) has a mandate to operate across government and lower Government’s past reliance on external consultants. It has recruited leadership and staff with some private sector experience (e.g. [Chief Consulting Officer](#) ~30/70% private/public career split).

Such advisory bodies do provide one structured approach for knowledge exchange with the APS SES. Effective relationships work best if run in good faith and in accord with the APS [Charter of Partnering and Engagement](#). However, productive activities will be muted if, in any way, they raise conflicts of interest or integrity, so risking (overzealous) scrutiny by the National Anti-Corruption Commission ([NACC](#)). This will put pressure towards relationship disengagement.

Lastly, from an effectiveness/efficiency perspective, it is unclear which of the multitude of AG Organisations and ‘advisory’ bodies give best, or least, value by way of advice to the APS SES. What is the impact and uptake of any advice? When are external consultants preferred and why?

A live case example illustrates this. In 2019 the then Government accepted the recommendations for [reform](#) of the Australian Qualifications Framework (AQF). Despite its criticality, there is no public evidence of meaningful progress by subsequent governments and Departments, despite external urgings, such as blunt direction² in the 2023 Higher Education (HE) [Accord Review](#).

One of the authors to the 2019 AQF review is now appointed as Deputy Commissioner of Jobs and Skills Australia (JSA). Comprehensive AQF reform is essential to workforce skills and long-term productivity. Given the Department(s) inability to make any practical progress over 5 years, the opportunity and future test is if any AQF reform proposals from an ‘advisory’ body are acted on.

² Rec 4a. immediately progressing the recommendations of the Review of the Australian Qualifications Framework through engagement with industry, unions and governments, as a matter of priority (pp18).

Establishing a new statutory advisory body - ATEC as a 'work in progress' case example

- **ATEC demonstrates the challenges of embedding independence and expertise within statutory advisory structures.**

In the tertiary education/training domain, several statutory advisory bodies (of differing scope and mandate) have [been and gone](#): e.g. the Australian National Training Authority, Skills Australia. The current 'like' versions are JSA and as recommended in the HE Accord Review, the proposed Australian Tertiary Education Commission (ATEC), with this now adopted by Government.

Multiple submissions to the HE Accord Review argued the merits of a new 'commission', including university peak bodies, industry and employer groups, research and academic organisations. The reasoning was for a new body to provide a cohesive and strategic approach to tertiary education governance and leadership, better support for student access and equity, stronger alignment of HE output with workforce skills needs, and to support needed reforms to benefit research and innovation. There were no voices of real dissent, but cautionary caveats on detail.

The final [HE Accord Report](#) (Recommendation 30) set out ATEC's proposed system wide leadership and stewardship advising on an expansive scope across HE policy, equity, funding, pricing, international education, data etc as well as directions for connection with research.

The ATEC [Implementation Consultation](#) paper authored by the Department outlined the roles of Commissioners within a new statutory office saying for legal reasons and organisational efficiencies, ATEC would be housed within the Department of Education.

University [peak bodies](#) made immediate and strong objections against this set up on the basis of a total lack of independence for ATEC. This mirrors a wrestle for control that took a long time to maturely resolve itself as seen in the NZ Tertiary Education Commission [case study](#).

The Department's paper also proposed that "Commissioners...make decisions and provide advice in the national interest" so appointees must "demonstrate their independence ...by not having worked in a leadership position in the tertiary sector within a set number of years". 'Integrity' rules of this type would have wrongly barred the appointments of current expert Commissioners at JSA.

Finally, such statutory 'advisory bodies' legislate for external Commissioner roles but don't encourage (or mandate) any proportion of their lower management levels and specialist knowledge expertise to be drawn from industry i.e. from outside the APS (as the 2019 APS Review encouraged). So, transferred APS staff move their desk/email address; budgets are shuffled; all with no net gain of outsider experience except transient expert Commissioners.

Managing and measuring APS SES performance - relationships with external stakeholders

- **Strengthening stakeholder relationships and performance metrics is crucial for enhancing SES accountability and external engagement.**

Routine surveys of [Trust in Australian Public Services](#) evaluate citizen services, but this is not the same as measuring views of key senior stakeholder/clients of the APS/SES. The bodies listed in the AG [Organisations Register](#) would form part of this stakeholder group. The Minister for the

Public Service has made clear [requirements](#) for SES performance and agency capability reviews.

In the private sector, Boards require management to astutely measure external ‘net-promotor scores’, customer loyalty, supply chain relationships etc - holding executives directly to account.

Effective relationships between the APS SES/senior staff and external stakeholders are best built respectfully in good faith, without gaps between public statements and private jibes. Conference presentations to stakeholders’ example where the SES can build reputation, and industry can sharpen its perceptions.

The ATEC example will have a successful outcome, but it illustrates relationships. Its advocates were motivated by national good, wanting an independent body to be expert industry-led, efficient, fair and capable of compelling evidence about national resources for education and research. It is probable that advocates were also silently motivated by wanting something far better than current, given their long-held industry concerns over perceived experience and expertise of SES leaders/staff.

Direct public criticism is rarer. With regards to policies to cap international student numbers it is [hearsay reported](#) that a University Chancellor, at a public conference, ‘gave the federal education department's top bureaucrats both barrels’ describing events to date as an ‘absolute debacle’.

Conclusions and the future

- **Without reform to embrace career diversity, SES leadership risks stagnation; bold changes are needed for impactful, future-ready governance.**

Evidence available indicates the APS-SES retains a near clonal character of its own breed. Despite past reviews and some action, there is very limited work experience in the group from outside of the public sector, and minimal talent drawn in from the private sector.

In the end, does this matter? Perhaps least so, if SES leaders unfailingly and comprehensively absorb and succinctly synthesise industry and community views in framing their peak advice. But being good at ‘public policy and process’ of itself, does not guarantee exceptional public sector leadership.

Real world policy application is way more complicated than conceivably advising on apprenticeships on Friday, and by the following Friday guidance on vaccine supply chains. Careers built on rotation within one public service may help widen experience of public policy application, but this does not cut it for greater ‘industry’ experience. You get that by being employed elsewhere.

Appointable private sector CEOs require sharp knowledge as well as credible experience of the industry in which they are expected to be successful. Boards do not appoint a CEO on a generic pitch of “my expertise is in business and corporate knowledge - broadly applicable anywhere”.

Industry experience thus has credibility limits. CEOs might swop roles (expertise) in: ‘hardware’ for ‘fashion’ (retail), ‘logistics’ for ‘airlines’ (transport), ‘minerals’ for ‘gas’ (resources), or ‘banking’ for ‘insurance’ (finance). They can’t stretch their pitch further.

So, high-potential next gen SES candidates should ideally have both public service exposure and nous, plus deep private sector experience. At minimum, the SES and next level executive teams need to be made up of a mix of expertise and experience. Look at US models, adapt best elements.

Without stronger shake up, people of exceptional talent and private sector experience will prefer to take their chances in the freer rough and tumble of the private sector, put off by the reputation of the politicised, risk averse, achieve-nothing-fast, constricting squeeze of the public service.

The opposite and positive is true. National public service leadership whilst challenging is immensely rewarding and impacting, coast to coast. The APS SES and its next level executive needs bolder reform, rather than remain complicit in mostly self-perpetuating their own kind.