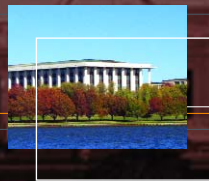


Corporate Governance in the Public Sector— from Theory to Practice

OLD PARLIAMENT HOUSE · CANBERRA · 8–10 MARCH 2006

Comparative



Perspectives

HANDBOOK AND ABSTRACTS

www.canberra.edu.au/corpgov-aps

UNIVERSITY OF CANBERRA
NEW INTELLIGENCE



Contents

General Information	2
Project Industry Partners	2
Program at a Glance	3
Conference Program	4–5
Biographies	6
Abstracts	15

General Information

Registration Desk Hours

The Registration Desk will be open as follows:

Wednesday 8 March

Conference registration	4.00pm–7.00pm
Welcome reception	5.00pm–7.00pm

Thursday 9 March

7.30am–5.15pm

Friday 10 March

8.00am–4.45pm

Useful Telephone Numbers

Taxis	131 008
Qantas	131 313
Virgin Blue	136 789

Name Badges

Your name badge is your entry to all Conference sessions. Please wear it at all times. Entry to the Conference Dinner is by ticket only.

Speakers

If you have not already provided a copy of your presentation, please hand your presentation to the Registration Desk staff. The audiovisual technician will then load your presentation on to a central laptop. All presenters should report 20 minutes prior to the start of their session to meet with the Session Chair and to check their presentation.

Special Requirements

Every effort has been made to ensure that people with special needs are catered for. If you have not already done so, please advise the Registration Desk regarding any special dietary requirements (eg vegetarian, vegan, coeliac, diabetic, etc).

Transport to the Airport

If you wish to share taxis to the airport at the conclusion of the conference, please see the Registration Desk.

OUR INDUSTRY PARTNERS



Deloitte.



Australian Government
Department of Finance and
Administration

MinterEllison | LAWYERS

The Corporate Governance in the Public Sector Project has been funded by the Australian Research Council (ARC).

Program at a Glance

Wednesday 8 March 2006

Conference Registration and
Welcome Reception

Sponsored by  **RuleBurst**[®]

Thursday 9 March 2006

9.00am	Welcome
9.10am	Opening Address
9.45am	Session 1 Keynote Speakers
10.45am	Morning Tea
11.15am	Session 2 Cross-disciplinary Perspectives on Key Corporate Governance Challenges in the Public Sector
12.40pm	Lunch
1.30pm	Session 3 Comparative International Approaches: Lessons and Solutions on Corporate Governance for the Public Sector
3.30pm	Afternoon Tea
4.00pm	Session 4 Government Perspectives on Corporate Governance: Lessons and Solutions for the Australian Public Sector
5.15pm	Day One Close
7.00pm	Conference Dinner— <i>High Court of Australia Building</i>

Friday 10 March 2006

9.00am	Session 5 Governance in the Public Sector: Lessons from the Research
10.30am	Morning Tea
11.00am	Session 6 The Corporate Governance Debate
12.30pm	Lunch
1.30pm	Session 7 Controversial Policy, Regulatory and Implementation Issues
2.45pm	Afternoon Tea
3.15pm	Session 8 The Future of Corporate Governance in the Public Sector
4.00pm	Session 9 Panel Discussion—Where to Next?
4.45pm	Conference Close

Conference Program

Wednesday 8 March 2006

Conference Registration and Welcome Reception

Hosted by Professor Ingrid Moses, Chancellor of the University of Canberra

Thursday 9 March 2006

Day One Theme: Corporate Governance Challenges and Comparative Perspectives

9.00am WELCOME

Professor Roger Dean, Vice-Chancellor,
University of Canberra

9.10am OPENING ADDRESS

The Future of Public Sector Governance in Australia—Dr Allan Hawke, Chancellor,
The Australian National University

9.45am SESSION 1—Keynote Speakers

Key Challenges for Corporate Governance of State-Owned Enterprises—International Lessons and Models—Mr Lars Johan Cederlund, Director, Division for State Enterprises, Ministry of Industry, Employment and Communications, Stockholm, Sweden and Chairman, Working Group on Privatisation and Corporate Governance of State-Owned Assets, OECD

Key Challenges for Corporate Governance in the Public Sector—Private Sector Lessons and Models—Professor Geoff Kiel, Professor of Management, UQ Business School, The University of Queensland

Q & A

10.45am Morning Tea

11.15am SESSION 2—Cross-disciplinary Perspectives on Key Corporate Governance Challenges in the Public Sector

The Governance Perspective—John Halligan, Bryan Horrigan, Corporate Governance ARC Project

The Legal Perspective—Mr Russell Miller, AM, Senior Partner, Minter Ellison Lawyers

The Management Perspective—Mr Rory O'Connor, Senior Partner, Deloitte Touche Tohmatsu

The Public Sector Finance and Audit Accountability Perspective—Mr Steve Chapman, Deputy Auditor-General, Australian National Audit Office (ANAO)

Q & A

12.40pm Lunch

1.30pm SESSION 3—Comparative International Approaches: Lessons and Solutions on Corporate Governance for the Public Sector

The UK Perspective—Professor Stephen Wilks, Professor of Politics, Department of Politics, The University of Exeter, Devon, UK

The European Perspective—Professor Thomas Clarke, Director, Centre for Corporate Governance, University of Technology, Sydney

The Canadian Perspective—Professor Peter Aucoin, Department of Political Science, Dalhousie University, Nova Scotia, Canada

The New Zealand Perspective—Ms Jeanette Schollum, Manager, Governance and Guidance, State Services Commission, New Zealand

Commentator—The Australian Implications—Mr Marc Mowbray-d'Arbela, Legislative Review Branch, Department of Finance and Administration, Australian Government

Q & A

3.30pm Afternoon Tea

4.00pm SESSION 4—Government Perspectives on Corporate Governance: Lessons and Solutions for the Australian Public Sector

Contemporary Corporate Governance Issues at the Australian Government Level—Dr Ian Watt, Secretary, Department of Finance and Administration, Australian Government

Contemporary Corporate Governance Issues at the State and Territory Government Level—Mr Wayne Cameron, Auditor-General, Victorian Auditor-General's Office, Australian State Government

Contemporary Corporate Governance Issues at the Local Government Level—Ms Noelene Duff, National President, Local Government Managers Australia (LGMA)

Q & A

5.15pm DAY ONE CLOSE

7.00pm Conference Dinner

for MC—Professor Bryan Horrigan

7.30pm **Guest Speaker**—The Hon. Justice Michael Kirby, AC CMG, High Court of Australia

Conference Program

Friday 10 March 2006

Day Two Theme: Emerging Issues and Trends in Corporate Governance in the Australian Public Sector

9.00am SESSION 5—Governance in the Public Sector: Lessons from the Research

Presented by the four Principal Investigators of the Corporate Governance ARC Project:

- Emeritus Professor Meredith Edwards, University of Canberra
- Professor John Halligan, University of Canberra
- Professor Bryan Horrigan, Macquarie University
- Mr Geoff Nicoll, University of Canberra

Q & A

10.30am Morning Tea

11.00am SESSION 6—The Corporate Governance Debate

Debate: The Australian Public Sector Post Uhrig: Where Will this Path Lead?

- Professor Stephen Bartos, University of Canberra
- Mr Shaun Gath, Blake Dawson Waldron, International Lawyers
- Dr Tom Ioannou, Department of Finance and Administration
- Ms Michelle Narracott, Governance Partners Australia
- Professor Roger Wettenhall, University of Canberra

Mr Pat Barrett, AO, (retired), former Auditor-General, Australian National Audit Office (ANAO) Facilitator

12.30pm Lunch

1.30pm SESSION 7—Controversial Policy, Regulatory and Implementation Issues

Looking Outwards—Key Issues and Suggestions for Cooperative Cross-Agency and Cross-Government Governance—Mr Ken Matthews, AO, Inaugural Chairman and CEO, National Water Commission

Looking Upwards and Downwards—Key Issues and Suggestions for Managing Board-Minister-Department Relationships—Mr Andrew Podger, National President, The Institute of Public Administration Australia (IPAA)

Looking Inwards—Key Issues and Suggestions for Managing Federal Public Sector Bodies—Ms Lynelle Briggs, Public Service Commissioner, Australian Public Service Commission (APSC), Australian Government

Q & A

2.45pm Afternoon Tea

3.15pm SESSION 8—The Future of Corporate Governance in the Public Sector Governance in the Australian Public Service: Challenges for the Future

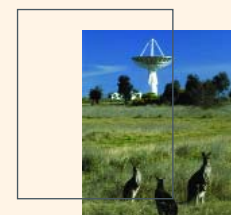
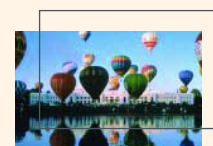
Dr Peter Shergold, Secretary, Department of the Prime Minister and Cabinet (PM&C), Australian Government

Q & A

4.00pm SESSION 9—PANEL DISCUSSION Where to Next?

4.45pm CONFERENCE CLOSE

Note: This program was correct at the time of printing and is subject to change.



Biographies

Peter Aucoin

Peter Aucoin is the Eric Dennis Memorial Professor of Government and Political Science and Professor of Public Administration at Dalhousie University. He has been Director of the School of Public Administration (1985–1990) and Chair of the Department of Political Science (1992–1995). He is a Senior Fellow of the Canada School of Public Service. He has been President of the Canadian Political Science Association and Vice-President of the Institute of Public Administration of Canada. His publications have won international and national awards. He was the 2005 recipient of the Vanier Medal from the Institute of Public Administration of Canada.

Pat Barrett

Pat Barrett was a career public servant who was Auditor-General for the Commonwealth of Australia from 1995 to 2005. He had been in senior executive positions in the Australian Public Service from 1972 in a range of departments and authorities and as Chair and/or Member of a number of high-level public service committees, a number by personal Cabinet appointment.

In the last twenty years of his career, Pat presented at numerous conferences and seminars to both public and private sector audiences and a number of his papers have been published in books and professional journals and are regarded as valuable references by many students of the public sector.

Pat is a graduate of Queensland University and Fellow of many Professional Accounting and Public

Service Bodies. Pat was awarded the insignia of Member of the Order of Australia (AM) in the 1992 Australia Day Honours List for his contribution to public administration. More recently, Pat was appointed as an Officer in the General Division of the Order of Australia (AO) in the 2003 Queen's Birthday Honours List for 'service to the promotion of good governance in the public sector'. He is currently:

- Member of the Financial Reporting and Governance Centre of Excellence of CPA Australia;
- Chair of the Audit and Risk Committee of CPA Australia; and
- Senior Fellow at the Australian National Centre for Audit and Assurance Research at The Australian National University.

Stephen Bartos

Stephen Bartos was appointed Director of the National Institute for Governance in January 2005. Prior to this he was a Visiting Fellow at The Australian National University and Deputy Secretary of the Department of Finance and Administration. Stephen is the author of *Public Sector Governance Australia* (CCH, Sydney, 2004) and numerous articles on governance and public sector reform. Stephen's research interests lie in governance, public sector budgeting, fiscal management, tax expenditures and public policy. He is a Fellow of the Australian Institute of Management and a Member of the Institute of Public Administration and the Australian Institute of Company Directors.

Lynelle Briggs

Lynelle Briggs has been with the Australian Public Service for over 25 years. Her career has involved time in the former Department of Social Security, the Department of the Prime Minister and Cabinet (PM&C), the Treasury and the then Department of Health and Aged Care. Lynelle also lived in Wellington, New Zealand for two years, while employed with the New Zealand Treasury. During her career, Lynelle has covered most of the social policy field—social security, health and community services, external territories, employment and labour market support and veterans' affairs. She has been closely involved in unemployment and retirement incomes policies, health care agreements and health care delivery. She spent two years as a policy adviser in a Minister's office in the mid-1980s and found that her time in PM&C provided an excellent grounding in government.

Lynelle joined the Department of Transport and Regional Services in 2001 as Deputy Secretary of the Department. Lynelle had responsibility for overseeing rail and road transport, territories, maritime, wider infrastructure policy such as AusLink, planning, local government and the portfolio's budget and information technology. Recent achievements include the AusLink White Paper, the ARTC rail track lease with NSW and the Energy White Paper. In November 2004 Lynelle was appointed to the role of Australian Public Service Commissioner.

Biographies

Wayne Cameron

Wayne Cameron was appointed Auditor-General of Victoria in September 1999. Prior to taking up his current position he held the position of Deputy Controller and Auditor-General for New Zealand.

A graduate from the University of Otago, Mr Cameron is a Fellow of:

- Institute of Chartered Accountants of New Zealand;
- CPA Australia;
- Victorian Division of the Institute of Public Administration; and
- Australian Institute of Chartered Accountants.

He was convenor and chief judge of the New Zealand Institute of Accountants Annual Report Awards committees for a number of years. The New Zealand Institute recognised his contribution to the profession in 2001 as finalist for the 'Most Valued Member Contribution Award'.

Since moving to Australia he has continued to play an active part in the profession as:

- Victorian Divisional President, CPA Australia (April 2003–March 2004);
- Member of the Australian Accounting Standards Board (July 2001–June 2005); and
- Australian representative on the International Federation of Accountants, International Public Sector Accounting Standards Board.

Presently, he is convenor of the Australian Council of Auditors-General.

In 2003 he was awarded a centennial medal for outstanding services as

Auditor-General of Victoria. And in 2005 he was awarded the Charles Holmes Medal by CPA Australia for outstanding service to the Australian Accounting profession.

Lars Johan Cederlund

Lars Johan Cederlund is a Director and Senior Advisor in the Division for State Enterprises, Ministry of Industry, Employment and Communications in Sweden where his responsibilities include the listing procedure associated with the privatisation of the telecom operator, Telia AB, and the restructuring of state-owned forests.

Lars Johan is a member of a number of boards and is active in several international negotiations. Currently he is Chairman of the Working Group on Privatisation and Corporate Governance of State-Owned Assets in the Organisation for Economic Co-operation and Development (OECD). This Group serves as a forum for the exchange of experience on specific technical issues related to privatisation and state-owned enterprise reform. Until recently, no international benchmark existed to help governments assess and improve the way they exercise ownership of state-owned enterprises, which can constitute a significant share of an economy.

In September 2005 the gap was addressed with the publication of the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*. As Chair of the Working Group, Lars Johan's leadership and expertise ensured the successful completion of these Guidelines. The Guidelines form a complementary

instrument to the revised *OECD Principles of Corporate Governance*, released in April 2004. These Principles have gained worldwide recognition as an international benchmark for good corporate governance. They are actively used by governments, regulators, investors, corporations and stakeholders in both OECD and non-OECD countries and have been adopted by the Financial Stability Forum as one of the Twelve Key Standards for Sound Financial Systems.

Steve Chapman

Steve Chapman commenced as the Deputy Auditor-General at the Australian National Audit Office in July 2005. His responsibilities include the performance audit and financial auditing programs.

Mr Chapman has had a long career in public administration, covering policy development, program delivery and management improvement. In his previous role as Deputy Inspector-General of Taxation, he was responsible for independently reviewing systemic problems in tax administration. As a Deputy Secretary in the Department of Industry, Tourism and Resources, Steve had particular responsibility for small business policy advice. His time as Deputy Commissioner in the Australian Taxation Office had a focus on taxation policy and administration reform, compliance administration and modernisation programs. Mr Chapman has tertiary qualifications in accounting and business. He holds an elected executive position with the ACT Division of CPA Australia.

Biographies

Thomas Clarke

Thomas Clarke is Professor of Management and Director of the Centre for Corporate Governance at the University of Technology Sydney (UTS). He has been a consultant to the board of directors of international intellectual property rights companies in the music business. He has worked extensively in both newspapers and television as a business correspondent. As Director of the Key University Research Centre for Corporate Governance research at UTS, he leads a large inter-disciplinary team of researchers examining international comparative corporate governance, the financial aspects of corporate governance, directors' duties and the role of the Board, and legal and ethical aspects of governance including triple bottom line reporting. He has published a number of books, including *Rethinking the Company* (London: Financial Times Publishing, 1994) which has been translated into five languages. The main focus of his work is on corporate governance with the publication of *Theories of Corporate Governance* (London: Routledge 2004); a five volume edited major work *Corporate Governance: Critical Perspectives on Business and Management* (London: Routledge 2005); and *International Corporate Governance* (London: Routledge 2006).

Noelene Duff

Noelene Duff is one of Australia's foremost women executives in Local Government. She is Chief Executive Officer of the City of Whitehorse (2000–current), responsible for a \$105 million budget, 1100 employees and the delivery of more than 120 services to a city with 145,000 residents and a \$6billion economy.

Noelene is the President of Local Government Managers Australia (LGMA Director since 2001) and Past President (2001–2003) of LGPro, Local Government Professionals Victoria. She was also Vice-President LGPro (2003–2005).

Her management experience extends to a wide range of service delivery roles including human services, technical services and statutory services. She has experience in a number of Local Government authorities including Inner City and Metropolitan.

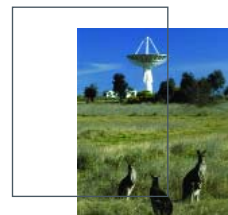
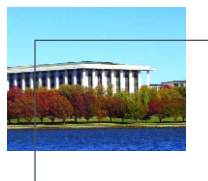
Noelene has had senior policy and planning roles in the Department of Premier and Cabinet, Department of Human Services (formerly HDV) and various management roles in the non-Government sector.

She has a Master of Business (RMIT), Graduate Diploma of Business (RMIT), Bachelor of Arts (Monash University) and Bachelor of Social Work (LaTrobe University).

Meredith Edwards

Emeritus Professor Edwards is one of the Principal Investigators on the Corporate Governance ARC Project and is an Economist with a PhD from The Australian National University. Through her career, Professor Edwards has been a lecturer, researcher and policy analyst. Professor Edwards was awarded the Order of Australia (AM) in 1992 and became a Fellow of the Academy of the Social Sciences in 1994.

Professor Edwards worked in the Commonwealth Public Service from 1983 until 1997. She worked in many departments; her final public service position was as Deputy Secretary in the Department of the Prime Minister and Cabinet. In 2001 she published a book *Social Policy, Public Policy: From Problem to Practice* based on case studies she was involved in during her public service career. Professor Edwards served as Deputy Vice-Chancellor of the University of Canberra from August 1997 when she also became Professor until August 2002. She was appointed Director of the National Institute for Governance at the University of Canberra in 1999 and Emeritus Professor in 2005.



Biographies

Shaun Gath

Shaun Gath is a Partner at Blake Dawson Waldron, International Lawyers and practises mainly in the area of government and administrative law, focussing on corporate governance, legal risk management and health regulatory issues. He is also an accredited expert in legal aspects of e-commerce, particularly in its application to government services and programs. He leads the Canberra office's commercial litigation and arbitration team.

Shaun has had significant experience working in and around the Australian Government including a period of over four years as general counsel to a major public agency and, prior to that, over three years as legal policy adviser to a Federal Minister. He also has international and national experience as an adviser to governments in the area of governance and legal risk management. His clients include major agencies of the Australian Government, public companies, hospitals and private health funds.

An acknowledged leader in the profession, Shaun was instrumental in establishing the ACT Division of the Australian Corporate Lawyers Association, which he served as Foundation President for two years. He is also a regular commentator on public law, governance and professional issues.

John Halligan

Professor John Halligan (PhD Wellington) is one of the Principal Investigators on the Corporate Governance ARC Project, Head of the School of Business and Government at the University of Canberra and Professor of Public Administration. His responsibilities include research and development in the Division of Business, Law and Information Sciences and relationships with the Australian and New Zealand School of Government.

Professor Halligan has held academic appointments at the University of Melbourne and The Australian National University, and visiting positions at various institutions including Georgetown University (Washington DC), The Australian National University, Victoria University of Wellington, and the Catholic University of Leuven. Professor Halligan is Deputy President, Institute of Public Administration Australia (IPAA) (ACT Division), and a National Fellow of IPAA.

He has published 15 books and over 100 chapters and articles. Books include *Civil Service Systems in Anglo-American Countries* (Edward Elgar) 2003 (ed.); *Reforming Public and Corporate Governance: Management and the Market in Australia, Britain and Korea* (Edward Elgar) 2002 (co-editor) and *Australian Handbook of Public Sector Management* (Allen and Unwin) 2001 (co-editor). He is currently completing books on the Australian Parliament and Performance Management.

Allan Hawke

Dr Hawke was born and educated in Canberra where he was awarded a BSc (First Class Honours) and a PhD at The Australian National University.

He joined the Commonwealth Public Service in 1974 as an Administrative Trainee with the Public Service Board and retired in February 2006.

During his career, he was actively involved in major inquiries into the Public Service including the Review of Commonwealth Functions, the Review of Commonwealth Administration and the Efficiency Scrutiny Unit.

He was a foundation member of the Management Improvement Advisory Committee and became its chairman shortly before taking up the position of Chief of Staff to Prime Minister Keating in August 1993. Immediately prior to his appointment as Secretary to the Department of Veterans' Affairs in April 1994, he had been a Deputy Secretary in the Department of the Prime Minister and Cabinet. Prime Minister Howard appointed Dr Hawke as Secretary to the Department of Transport and Regional Services in March 1996 and he served a three-year term as Secretary of Defence from October 1999. He was then Head of the Secretariat for the Review of the Aboriginal and Torres Strait Islander Commission and produced the associated Public Discussion Paper issued in June 2003 before serving as Australian High Commissioner to New Zealand with accreditation to the Cook Islands and responsibilities for Niue, the Pitcairn Islands and the Tokelau Islands from August 2003 to January 2006.

Dr Hawke also worked in the Department of Community Services and Health and in various positions in

Continued next page

Biographies

the Department of Defence where he was promoted to Deputy Secretary in 1991.

He was a Member of the Management Advisory Board and oversaw the 'Beyond Beancounting' Report which recommended introduction of accrual based budgeting into the Australian Public Service. Allan chaired a small group to raise money for Indigenous students to undertake the Australian National Internship Program in honour of a fellow Administrative Trainee, Ken Wanganeen, and has also served on the Administrative Review Council, the Australian Strategic Policy Institute Council, as Chairman of the Board of the Public Sector Management Course and President of the ACT Branch of the Institute of Public Administration Australia. He was also a member of the Monash Mt. Eliza Business School Council and the Centre for Applied Philosophy and Public Ethics Advisory Board and a Director of the Canberra Girls Grammar School Board. He continues to be a Director of the Canberra Raiders' Board.

Allan was appointed a Fellow of the Australian Institute of Public Administration in 1998 and a Fellow of the Australian Institute of Management in 1999 in recognition of his outstanding contribution to public service. In 2001, he became a Fellow of the Australian Institute of Company Directors. The Australian Financial Review's 'Boss' Magazine, named him as one of Australia's top 30 true leaders in its inaugural list in 2001.

Dr Hawke took up his appointment as Chancellor of The Australian National University in February 2006.

Bryan Horrigan

Professor Bryan Horrigan is one of the Principal Investigators on the Corporate Governance ARC Project, which is the first major theoretical, empirical, and interdisciplinary study by academic and non-academic professionals of corporate governance in the Australian Federal public sector in the post-Uhrig environment. Bryan completed his doctorate in law at Oxford University under a Rhodes Scholarship, and his current research interests focus upon comparative corporate governance and responsibility, governmental and business liability, and transnational judicial decision-making. In addition to being a professor of law, he is a long-standing consultant to one of Australia's leading national law firms, as well as a governmental and business consultant, media commentator, published author, and professional speaker. Most recently a Visiting Academic at the Wharton Business School in the USA, Bryan is now the Associate Dean (Research) at Macquarie University's Division of Law in Sydney. Formerly the Director of the National Centre for Corporate Law and Policy Research and the Deputy Director of the National Institute for Governance in Canberra, Bryan is the Australian contributor of a chapter on Anglo-American perspectives on corporate governance for the recent internationally published book, *Research Handbook on Corporate Legal Responsibility*. In addition to this ARC grant project, he is currently working on a book on corporate social responsibility for an international publisher, as well as a new ARC Discovery Grant on internationalisation of law and the Australian High Court. (bryan.horrigan@law.mq.edu.au)

Tom Ioannou

Dr Tom Ioannou manages the Governance Structures Branch within the Department of Finance and Administration. The Branch is responsible for co-ordinating implementation of the Government's response to the Uhrig Review. Tom has also worked in the Department of the Prime Minister and Cabinet, the Department of Defence, the Commonwealth Department of Health and Ageing, and the Victorian Department of Premier and Cabinet, where he managed the Government Branch within the Cabinet Office. Tom is a political scientist and a graduate of Sydney University and the London School of Economics and Political Science.

Geoff Kiel

Geoff Kiel has had an extensive career as a management consultant, senior manager, management educator and academic researcher. He is Professor of Management at the University of Queensland and Chairman of the management consultancy Competitive Dynamics Pty Ltd. He is also currently the Chair of the Mater Medical Research Institute and a director of the University of Notre Dame Australia. He is a Past President of both the Australian and New Zealand Academy of Management and the Australian and New Zealand Academy of Marketing. He has published over 100 monographs and refereed journal articles and conference papers.

He is well known for his work in corporate governance. He is the co-author of the major Australian

Biographies

practical guide to governance, *Boards that Work*, published by McGraw Hill; *The ASX Corporate Governance Council's Principles—A Compliance Toolkit*; and *Board, CEO and Director Evaluation*, also published by McGraw Hill. He teaches throughout Australia for the Australian Institute of Company Directors on a variety of corporate governance topics and advises a wide variety of Australian organisations on governance matters.

Michael Kirby

Justice Michael Kirby is one of Australia's longest serving judges. He was first appointed in 1975 as a Deputy President of the Australian Conciliation and Arbitration Commission. Then he served as Inaugural Chairman of the Australian Law Reform Commission. During this time he was *ex officio* a member of the Administrative Review Council, supervising the introduction of the new administrative law federal jurisdiction in Australia.

In 1984 he was appointed President of the New South Wales Court of Appeal. In 1996 he was elevated to the High Court of Australia.

Justice Kirby has served numerous international bodies, having been Special Representative of the Secretary-General of the United Nations for Human Rights in Cambodia and President of the International Commission of Jurists.

In 1983 he was created a CMG. In 1991 he was created an AC.

Ken Matthews

Ken Matthews is the Inaugural Chairman and Chief Executive of the National Water Commission.

Mr Matthews was previously the Secretary of the Department of Transport and Regional Services from 1999 to 2004, and from 1998 to 1999, was the Secretary of the Department of Agriculture, Fisheries and Forestry.

During 1997, Mr Matthews headed the Wik Task Force in the Department of the Prime Minister and Cabinet, providing advice to the Prime Minister on Native Title.

In previous years Mr Matthews worked in the Department of Industry, Technology and Commerce where he was responsible for advice on manufacturing industry policy and technology policy.

Early in his career (1975-1983) he held a series of positions within the Department of Defence and the Canadian Department of National Defence dealing with international policy and defence industry policy.

Mr Matthews' academic background is in economics, majoring in government (B.Ec. University of Sydney, 1974). Mr Matthews is a Fellow of the Institute of Public Administration – Australia and the Australian Institute of Management.

Mr Matthews received a Centenary Medal in 2001 for services to public administration and was made an Officer of the Order of Australia (AO) in 2005.

Russell Miller

Russell Miller has handled government and commercial work for government agencies for more than 25 years and has managed major commercial projects in Australia and overseas. His work has covered the full commercial range from negotiating major tenders and contracts to advising boards on strategy and corporate governance.

He also has significant experience in competition law. He has advised major national and international companies and government business enterprises and government agencies on a variety of competition issues including those transactions requiring Australian Competition and Consumer Commission (ACCC) approval. Russell is a private sector adviser to the International Competition Network. Russell has authored *The Annotated Trade Practices Act*, 26th Edition (LBC 2005), a leading reference text, and *Annotated Competition Policy Law and Practice* (LBC 2000). He is an Adjunct Professor of Law at the University of Canberra and a Council Member of the International Bar Association.



Biographies

Ingrid Moses

Ingrid Moses was appointed Chancellor of the University of Canberra in January 2006. Prior to this, she was Vice-Chancellor of the University of New England from July 1997.

Professor Moses has received many awards including a Doctor of Letters (h.c.) for her contribution to higher education (University of Technology Sydney); is a Fellow of the Society for Research into Higher Education (UK) for her contribution to research in higher education; is a Fellow of the Australian College of Education; has an Honorary Life Membership in the Higher Education Research and Development Society of Australasia Inc; has a Centenary Medal for her contribution to rural education; was awarded a Doctor of Letters (h.c.) for her contribution to higher education research and international work (California State University, Sacramento), and is an Honorary Fellow of the Australian Council for Educational Leaders.

Her research areas are the academic profession and environment, and the evaluation of academic performance, and she has published extensively in these areas.

She continues to contribute as a consultant, speaker and member of review panels to the planning, quality, educational and research training processes in many universities in Australia, New Zealand, Europe, Singapore, Hong Kong, South Africa, USA and Canada.

In addition, Ingrid is the Immediate Past-President of the International Association of University Presidents; is the Australian representative

appointed by the Australian Government on the Council of the University of the South Pacific; is a member of the UK's International Advisory Network at the Leadership Foundation for Higher Education; is a member of the Kuratorium of the University of Paderborn, Germany; and is Director of the Australian Universities Quality Agency Ltd representing self-accrediting institutions.

Marc Mowbray-d'Arbela

Marc Mowbray-d'Arbela has bachelor degrees in economics and law and a Masters in Law, from The Australian National University, and is admitted as a legal practitioner. Currently Acting Division Manager, Financial and Budget Framework Division, he has been the Department of Finance and Administration's representative on the corporate governance research project, reflecting his responsibilities for review of the key financial governance legislation in the Australian Government. Marc has been a government lawyer since 1990, having worked in various agencies, including the Department of Veterans' Affairs and the Australian Government Solicitor. Marc has addressed numerous conferences on legal and governance policy issues.

Michelle Narracott

Michelle Narracott, Principal of Governance Partners Australia is a corporate governance and risk management professional of some 22 years standing with a career spanning both the public and private sectors. Best known for her pragmatic approach to establishing governance arrangements and her

focus on the role of both leaders and the individual officer, Michelle has worked with a diverse range of Commonwealth, State and Territory organisations.

Author of numerous Parliamentary corporate governance reform submissions and international governance analyses, a key commentator and analyst, Michelle plays an active role in reforming and presenting on public and private sector governance and risk management standards—one of few contributing to cross-fertilisation between the sectors.

Geoffrey Nicoll

Geoffrey Nicoll is one of the Principal Investigators on the Corporate Governance ARC Project, a Senior Lecturer in law at the University of Canberra and Co-Director of the National Centre for Corporate Law and Policy Research. In 2005, he was Acting Head of the Law School and in 2004, Geoffrey was the Director of the University's Area of Research Strength in Governance. Across 2000–2002, he was an Academic Director of the National Institute for Governance. Mr Nicoll came to the University of Canberra after ten years in private practice. He is an executive member of the Business Law Section of the Law Council of Australia.

Geoffery has taught and researched extensively in corporations and securities law. His particular expertise lies in the role of investment management and superannuation (pension) funds in corporate governance. Both his PhD thesis, to be completed shortly, and his first major ARC-funded research project,

Biographies

involve research in this area. He has been a public commentator in Australia in this important area of law for some time.

His research interests in corporate governance have recently been extended to embrace new developments in governance in the Australian public sector.

Rory O'Connor

Rory has more than 20 years experience in consulting to clients in a range of industries on internal audit, risk management, corporate governance fraud control, probity and external audit engagements both in the public and private sectors. In particular, he has provided advice and services to 'blue chip' Australian companies such as Woolworths, David Jones, AAPT and Goodman Fielder.

Rory has also provided advice to a number of organisations, performing a number of corporate governance reviews and advising boards on the self assessment process.

As the Deloitte's Practice Leader for Government Services, he has led risk management and assurance engagements at more than 100 government agencies and has provided advice at Federal, State and Local Government levels.

Andrew Podger

Andrew Podger is the National President of the Institute of Public Administration Australia. He began his career with the Australian Public Service as a cadet with the Australian Bureau of Statistics (ABS) in 1968. Since working for ABS with the Henderson Poverty Inquiry, he has

worked with various agencies on social policy issues including social security, tax and superannuation. He spent eight years with the Department of Finance, focussing on the finance of social welfare, employment and education. He was Deputy Secretary for Defence from 1990 to 1993, responsible for Acquisitions and Logistics, and was Secretary for the Department of Housing and Regional Development from 1994 to 1996. He became Secretary of the Department of Health and Family Services in 1996 with particular interests in health financing and Indigenous health. He remained with the department until becoming Public Service Commissioner in 2002 (now retired).

Mr Podger holds a Bachelor of Science with Honours in Pure Mathematics from Sydney University. His interest in public administration includes tertiary studies and a period as President of the ACT Division of the Institute of Public Administration Australia.

Jeanette Schollum

Jeanette Schollum is the Manager, Governance and Guidance in the State Services Commission (SSC), New Zealand. She took up this position in July 2005. Previous managerial roles were in the Strategic Development and Chief Executives Branches of the SSC.

Her prior experience was in the education sector, initially as a teacher then as a lecturer in a Teachers' College. Two years were then spent in a non-Government organisation before taking on National policy roles in the Department of Education and

the Education Review Office. From 1997–1999 Jeanette worked at the OECD on governance and government reform strategies.

Peter Shergold

Dr Peter Shergold has been Secretary of the Department of the Prime Minister and Cabinet since 2003.

He received a B.A. (First Class Honours) in Politics and American Studies from the University of Hull; an M.A. in History at the University of Illinois; and a PhD in Economics from the London School of Economics. He migrated to Australia to take up a lectureship at the University of New South Wales (UNSW) in 1972.

In 1985 Dr Shergold became Head of the Department of Economic History at UNSW. While an academic he wrote *Working Class Life* (1982), edited *The Great Immigration Debate* (1985), was a major contributor to *Convict Workers* (1988) and authored more than 50 academic articles on economic, social and labour history. He has taught at the University of Illinois, Southampton University, the London School of Economics and Pennsylvania State University. He has twice been a Fulbright Scholar.

In 1987 he joined the Australian Public Service (APS) to establish the Office of Multicultural Affairs. He became a Deputy Secretary in the Department of the Prime Minister and Cabinet in 1990. From 1991 he headed the Aboriginal and Torres Strait Islander Commission. At the end of his term in July 1994 he was appointed Chief Executive Officer of Comcare.

Continued next page

Biographies

He was Public Service Commissioner from September 1995 to February 1998, playing a leading role in promoting legislative and administrative reform in the Australian Public Service. He continues to pursue his interest in the management of the APS through chairmanship of the Management Advisory Committee, and speaks extensively on public service issues.

In 1998 he was appointed Secretary of the Department of Workplace Relations and Small Business which, following the election, was expanded to become the Department of Employment, Workplace Relations and Small Business. He served in that capacity for almost four years before becoming, in January 2002, Secretary of the Department of Education, Science and Training. He took a leading role in developing the government's reform strategy for higher education.

Dr Shergold is Chair of the Australia and New Zealand School of Government Board and is also a member of the Commonwealth Association for Public Administration and Management Board. He has served on the Executive Council of the Eastern Regional Organisation for Public Administration. In November 2005 he was made a Fellow of The Academy of Social Sciences in Australia.

He was on the Board of Centrelink from 1998-2002. From 2002-2003 he was a Board member of the Australian Research Council and the Commonwealth Scientific and Industrial Research Organisation.

He was made a Member in the Order of Australia for 'public service' on Australia Day 1996.

Ian Watt

Dr Watt has been Secretary of the Department of Finance and Administration since January 2002. He was previously Secretary of the Department of Communications, Information Technology and the Arts. Prior to that, he was Deputy Secretary of the Department of the Prime Minister and Cabinet and Executive Coordinator of the Economic, Industry and Resources Policy Group until March 2001.

Dr Watt was First Assistant Secretary of Economic Division, Department of the Prime Minister and Cabinet, between March 1994 and November 1996. Prior to that he was Minister (Economic) at the Embassy of Australia in Washington for two-and-a-half years. Dr Watt completed the Advanced Management Program at the Harvard Business School from September to November 1999. Dr Watt is the current chair of the Organisation for Economic Co-operation and Development's Working Party of Senior Budget Officials.



Roger Wettenhall

Roger Wettenhall is Emeritus Professor of Public Administration and Visiting Professor in the Centre for Research in Public Sector Management in the University of Canberra. He was Project Director and then Chairman of the International Association of Schools and Institutes of Administration's working group on public enterprise, privatisation and the public-private mix from 1983 to 2001, and editor of *Australian Journal of Public Administration* from 1989 to 1995. His main current interest is in the use of non-departmental public bodies.

Stephen Wilks

Stephen Wilks is Professor of Politics at the University of Exeter where he also served a four-year term as Deputy Vice-Chancellor. He has published a number of books and articles on comparative political economy including work on competition policy, public management and the politics of the business corporation. From 2001 to 2005 he was a Member of the UK Economic and Social Research Council and chaired its Strategy Board. He has been a Member of the UK Competition Commission since 2001 and has worked on seven merger inquiries.

Abstracts

Peter Aucoin

This paper focusses on the recent efforts of the Canadian government to strengthen ministerial accountability for 'Crown corporations' (a diverse mix of roughly four dozen arm's-length non-departmental government agencies) while at the same time pursuing best practices from the private sector for improving corporate governance in these agencies. The latter initiative emanates from the internationally shared concern for improved corporate governance in the public sector where boards of directors are used as an alternative organisational structure to the ministerial department. The former initiative stems from a major government scandal involving, among others, four arm's-length agencies (three Crown corporations and the federal police force).

The changes to corporate governance regime of these agencies were initiated in 2004, as the government began to respond to the political fallout from this scandal. These changes were thereby developed alongside a second initiative that focussed on the governance of ministerial departments, and specifically the governance relationships between individual ministers and their departmental public servants.

The government's approach to these two forms of executive governance has resulted in a convergence of the governance regimes for Crown corporations and ministerial departments in important respects, with an emphasis on re-asserting the ultimate public accountability of ministers, and government, for

executive governance, however structured. The executive powers of ministers, individually and collectively, accordingly, have been enhanced in respect to both of these structures.

The paper examines these changes in light of the norms of best practice in both corporate governance and new public management, each of which suggests that improved organisational performance as well as improved accountability require, first, that boards and departmental public service executives be assigned explicit governance or managerial authorities and responsibilities that clearly distinguish these authorities and responsibilities from those held by ministers, and, second, that these boards and public service executives be held publicly accountable for their performance in these respects.

The paper seeks to assess whether the Canadian experience in responding in these ways constitutes merely an over-reaction to an isolated political crisis or an indication that new public management, including corporate governance arrangements that place non-departmental agencies at arm's length, exists in significant tension with what I call the 'new public governance' (increased concentration of power under the Prime Minister; increased influence for political staff; increased personalisation-politicisation of public service executive staffing; increased pressures for political spin in government communications; increased expectation of public service enthusiasm for government's agenda).

Lynelle Briggs

The *State of the Service Report 2004–05* notes that

Good governance is also fundamental to building public trust. APS-wide governance arrangements have been the subject of ongoing review processes during the year, most particularly as an outcome of the Uhrig report. More generally, if agencies are to retain public confidence and trust, they need to ensure they have connected and rigorous organisational systems, processes and procedures in place to maintain the integrity of their governance arrangements. Such support is essential if agencies are to perform effectively in an increasingly dynamic and complex environment—a point reinforced in the Palmer report (p.310).

What do we mean by governance? Is it just what we do, how we do it, and how we check that we're doing it properly?

This paper considers in more detail some of the implications for those systems and procedures that support governance.



Abstracts

Wayne Cameron

The public sector has not been immune from heady discussion on the subject of Governance practices. Substantial changes to the way that public agencies undertake their activities and the publication of examples of where governance has gone wrong in the public sector has lead to increased attention to this aspect of management across a number of Australian States.

In some instances sector reviews (eg Hospitals and Universities) have lead to legislative reforms to reinforce the importance of good governance in sympathy with the changing ways that governments provide services to their communities. In others, institutional arrangements (for example the establishment of the State Services Authority in Victoria) have been established, changed or reinforced to ensure that the public sector keeps pace with the changing demands placed upon it.

This paper discusses some of those forces of change, government responses to them and what, in the opinion of the author, still requires attention.

Lars Johan Cederlund

The paper addresses key challenges for corporate governance of State-Owned Enterprises (SOEs)—International Lessons and Models

- How and why are public sector activities transformed into SOEs. Globally many entities established by the public sector have become SOEs suitable for privatisation. The reason has often been market failures. I will discuss the mechanisms prevailing in this

development as well as the contribution from the process to growth and increases in productivity. The assets involved are huge; capital employed is in most countries billions of euros. The SOEs are often established in capital-intensive industries.

- Political problems arising in the transformation of SOEs from monopolies/special purpose entities to operators in a market and examples on how they may be solved. In most countries the state or other levels of the public sector have invested in infrastructure and other facilities that need adequate governance.
- The object of a professional Corporate Governance for public sector assets and the contribution to value creation and to a push for better productivity.
- The role and purpose of the OECD Guidelines on Corporate Governance of State-Owned Enterprises and the main issues treated by the Guidelines.
- How professional Corporate Governance for public sector assets can contribute to a more focussed discussion on privatisation policies and how better decision-making process can be the result.
- Ideas on important issues that are not included in the Guidelines, mainly in the field of capital structure of SOEs that could lead to new chapters to be included in the Guidelines.
- The future role of my OECD Working Group.

Steve Chapman

The Australian National Audit Office undertakes an extensive performance and financial statement audit program that assesses many elements of governance of Australian Government agencies.

Based on the findings of these audits, and other observations, I consider some of the key challenges for public sector governance to be:

- whole-of-government integration, especially for program management;
- implementing the Uhrig reforms – to achieve greater uniformity and consistency in the core governance structures of Australian Government agencies;
- ensuring open government – improving the transparency of Government decisions;
- performance monitoring and reporting;
- financial controls and reporting;
- project management/contracting out, including of grant programs; and
- audit committees and the internal audit function.

Given the likely continued trend of increased public expectation of governments, but with minimal real budget expansion, there will be increasing pressure for open, efficient and accountable government. To achieve these goals into the future, public sector agencies will need to implement effective governance structures, practices and principles across the elements of governance listed above.

Abstracts

Thomas Clarke

All of the advanced industrial countries have engaged in public sector governance reform and restructuring for some decades. The distinctive contribution of Europe to this process has proved to be its diversity. The stimulus for the transformation of the public sector was universally the revolt against excess public expenditure, the advance of consumer demands, the application of new management concepts, the introduction of new information systems, and the new emphasis on performance outcomes. The response in large parts of the public sector was often to emulate the efforts at corporate governance reform in the private sector with a new emphasis on responsibility, accountability and performance. However in the context of Europe there are a number of competing governance systems in existence, including the institutional orientation of Northern Europe, the network orientation of Southern Europe, and the recent and insistent pressures of the Anglo-American market orientation. With origins in very different corporate governance and public sector traditions, far from there being a convergence around a dominant model of public sector governance and provision in Europe, although the broad aims of producing more efficient and responsive public services have been widely shared, the strategies and methods adopted have varied widely. The enthusiasm expressed for new public management in the United Kingdom, United States of America, New Zealand and Australia, is not as widely embraced throughout Europe, and particularly in the Scandinavian

countries, since the historical archetypes of public sector administration that new public management was intended to replace did not have the same grip as in the Anglo-Saxon countries. However the search for new modes of governance in terms of accountability, capacity and participation continues.

Noelene Duff

Over the past decade, many changes have occurred in the Local Government sector nation wide. From the radical reforms of the Kennett years in Victoria to 'amalgamation creep' in other States, to the sacking of Councils by State Governments, the matter of 'good governance' has been a prominent issue in the media and for Local Governments themselves.

Local Government is unique in the complex set of roles and functions it has within the community. Yet as a level of government, it must interrelate to both Federal and State Governments in order to be effective in its governance role and within its political context.

With a substantial service delivery role at the local level, Councillors are the politicians that are most accessible to their constituents and frequently the most exposed.

Clarity of roles and responsibilities between elected Councillors and appointed officers, a strategic approach to organisational management and a strong commitment to democratic processes and decision-making as well as good relationships are key platforms for good governance. These dynamics combine to drive an expectation of high level transparency and

accountability and serve to challenge local Governments to aspire to the highest standards of good governance.

Local Government is often the most visible and accessible level of government, leaving it politically exposed and vulnerable if it fails to meet high standards of good governance. Examples from a number of States will demonstrate the strong focus on governance issues, the players involved and the agenda ahead.

John Halligan and Bryan Horrigan

Governance has changed rapidly in Australia in the reform era. The emerging Australian model has several dimensions: resurrection of the central agency as a major actor; whole-of-government as the expression of a range of forms of coordination; central monitoring of agency implementation and service delivery; and departmentalisation through absorbing statutory authorities and reclaiming control of agencies with hybrid boards to accord with new corporate governance prescriptions. These principles apply within the Australian public service but also have implications for the federal system. The paper will examine the new public governance with particular attention to the corporate governance implications for departments and agencies of the issues raised under the Uhrig agenda.



Abstracts

Geoff Kiel

The way in which corporations are governed has been the topic of considerable debate in recent years with a number of high profile corporate scandals and collapses ensuring that the topic has remained in the headlines. As a result, there is now international recognition of the importance of good governance with the OECD, for example, releasing its *Principles of Corporate Governance* as a way of ensuring investor confidence and improving national economic performance in OECD countries. In the US there have been major reports such as the *Report of the NYSE Corporate Accountability and Listing Standards Committee* and *Report of the NACD Blue Ribbon Commission on the Role of the Board in Corporate Strategy*, while the *Sarbanes-Oxley Act* of 2002 has mandated a substantial number of governance changes. In the UK, a series of major reports (e.g., Smith Report, Tyson Report) have resulted in a corporate governance best practice guideline for listed companies, the *Combined Code on Corporate Governance*.

The Australian response to this international trend has seen important additions to the *Corporations Act* through the Corporate Law Economic Reform Program (CLERP) such as the business judgment rule (CLERP 3) and the strengthening of corporate disclosure and promoting the credibility of financial information through audit independence (CLERP 9) as well as a number of best practice guidelines. These guidelines include the Australian Stock Exchange (ASX) Corporate Governance Council's *Principles of*

Good Corporate Governance and Best Practice Recommendations and Standards Australia's *Good Governance Principles* (AS 8000-2003), which provide best practice advice for a wide variety of organisations.

This paper outlines the key contemporary corporate governance challenges facing private sector boards in Australia and how these challenges are being met through better governance practices. It then discusses how private sector corporate governance models such as that provided by the ASX Corporate Governance Council have impacted both private and public sector boards. The paper concludes by covering the implications of such governance guidelines for Public Sector Boards addressing issues such as Board composition, stakeholder expectations and key Board roles.

Russell Miller AM and Kirralee Sanders

The past decade has been a period of marked change in public sector administration in Australia.

Governments, at both Federal and State levels, are redefining their roles in response to community demand for increased efficiency and more effective delivery of services, with reduced staffing levels. At the same time there is an expectation of high levels of transparency and accountability.

As they refocus on the essential role of government, especially in service delivery, and continue to seek better ways to deliver core services, Governments of all persuasions are exploring different models for policy

and service delivery. In that search, governance principles, developed in the private sector as a subset of corporate regulation, continue to be assessed, trialled, modified and re-evaluated for the contribution they can make to more efficient government service.

In this paper we consider briefly the history of corporate governance, explore the interaction between corporate and government governance models from a legal perspective and explain the legal framework that underpins each. In doing so we also consider legal structures that may inhibit the adoption of approaches to corporate governance developed in the private sector to core Government functions.

While governance, whether in the corporate or the public sector, operates within a framework of legal rules, governance is not merely about compliance with those legal rules. It encompasses principles of honesty, accountability and efficient performance, seeking to apply them in the interests of stakeholders and the broader community.

Acceptance that there is a link between better governance arrangements and better performance, whether in corporations or within Government, leads naturally to concentration on using governance as one of the means of improving the performance. This paper provides a framework for exploration of that issue. It also considers briefly some of the emerging legal issues arising in the public sector in Australia which are yet to be sufficiently addressed in the current legislative framework. These suggest the need for further

Abstracts

consideration of the extent to which corporate models of board governance operate in the public sector and the benefits (if any) arising from the application of these principles.

Rory O'Connor

What does Governance promise for managers and for the management process within an organisation? Rory will discuss some of the impacts Governance is having on organisational management and its relationship to traditional internal controls frameworks, such as the Committee of Sponsoring Organisations of the Treadway Commission model for evaluating internal controls.

Andrew Podger

The Uhrig Report and the Department of Finance and Administration's latest publication on corporate governance reflect the most recent official thinking on appropriate public sector structures to support efficient and effective activities accountable to the Government and the Parliament. They reflect the current Government's views on some perennial debates in public administration, such as the political/administrative interface and the balance between responsiveness and apolitical professionalism, the relationship between policy and administration and the place of independent advice and independent public administration in the public interest.

Precisely because these debates are perennial, the views are somewhat controversial. There is also a degree of a bet each way.

These publications follow some other initiatives in the last five years that have tempered some of the excesses of managerialism, without winding back the critical reforms. Some further refinement is still needed to reinforce the public interest and to ensure the sustainability of Australia's public sector reforms. The paper includes a number of suggestions relevant to both the Commonwealth and the States.

Jeanette Schollum

New Zealand's State Services are generally seen as well performing. There are always opportunities for continual improvement. Changed legislation has strengthened corporate governance mechanisms and provided opportunities to drive better performance.

The overall goal for the New Zealand State Services is a system of world class professional State Services serving the government of the day and meeting the needs of New Zealanders. For the State Services to work well for New Zealanders, then agencies must work closely together. This overarching goal for the New Zealand State Services is supported by aspirational development goals extending across the State Services.

Ensure the State Services is an employer of choice.

Develop a strong culture of constant learning in the pursuit of excellence.

Use technology to transform the provision of services for New Zealanders.

Ensure the total contribution of government agencies is greater than the sum of its parts.

Enhance access, and improve New Zealanders' experience of State Services.

Strengthen trust in the State Services, and reinforce the spirit of service.

Crown entities are an important component of the State Services, spending almost 50% of the State Sector discretionary budget and employing two-thirds of all State Sector staff. Crown entities carry out a broad range of executive government functions and exercise extensive coercive powers. Use of their financial and other resources is of interest to Parliament, the media, and more widely, to the public. It is important that Crown entity performance is well aligned with whole-of-government interests, to improve citizen and business experience of government.

The Review of the Centre recommended improving the governance of Crown entities, with particular attention on the clarity of relationships between Ministers, departments and Crown entities, and strengthening those elements of the public management system that enable whole-of-government action.

The Crown Entities Act is an umbrella statute containing consistent governance and accountability requirements for all Crown entities. The Act defines the general role of responsible Ministers and Boards.

Ultimately it will be the performance of the Board members themselves, in carrying out their individual and collective duties under the Crown Entities Act, that will determine the long-term success of Crown entities.

Abstracts

Peter Shergold

The goals of governments, and the consequent challenges faced by their public services, continue to change. Following an era focussed on results, characterised by devolved management and outsourced delivery, new governance questions are emerging. How can we connect the development and delivery of policy within and across the territorial demarcations of governments? How can we tailor national programs to the circumstances of particular communities? How can we provide better coordination and greater flexibility in funding cross-agency initiatives? How can we improve the efficiency with which public funds are used to acquire assets and implement complex projects? More broadly, such questions require us to assess how best to balance new forms of public management (focussed on efficiency and effectiveness) with the preservation of traditional public service values (such as equity, accountability and ethical conduct).

Ian Watt

Dr Watt will address the following current initiatives in the financial framework and contemporary corporate governance issues at the Federal Government level:

- The implementation of the Uhrig Report:
 - The *Guide to Governance Arrangements for Australian Government Bodies* issued in August 2005.
 - Progress to date.
- The List of Australian Government Bodies as at 31 December 2004:
 - Structures in the Australian Government.
 - Findings and emerging trends.
- Current proposals for reform of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) framework:
 - Commonwealth Authorities and Companies Amendment Bill*.
- Updating the CAC Act to take account of amendments to the *Corporations Act 2001*.
- Enhancing accountability.
- Clarifying provisions.

Review of the *Commonwealth Authorities and Companies Regulations 1997* and the *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*.

Stephen Wilks

The paper first discusses the UK's distinctive model of corporate governance including the primacy of shareholder interests and the mechanisms of operation. It evaluates current developments and highlights reform proposals. It goes on to discuss cross-fertilisation with the public sector including the historical legacy of equivalency; the practices prevalent before the move to the new public management and the more recent and novel developments which include direct mimicry of the private sector. Four mini-case studies are explored; the Bank of England, the Office of Fair Trading, the Office of National Statistics and the Home Office. The paper concludes with an evaluation first, of the merits of the UK system of corporate governance and, second, the pros and cons of reproduction of that model in the public sector.

