Navigating Uncertainty: The Future of Futures Analysis in the Australian Public Service

Lachlan Wilson, Ryan Young & Anastasia Kapetas

Key points

- Reactive political pressures, rigid planning cultures and limited long-term policy thinking creates significant risk that departments and agencies will be blindsided by surprises and unexpected consequences, as has occurred for many with the COVID-19 pandemic.

- Careful structured thinking about trends, changes and likely implications – what we call 'Futures Analysis' – helps minimise surprise for organisations.

- Effective Futures Analysis does not require significant resources; instead it requires a small, cross-disciplinary team and a commitment to actively consider future implications in everyday decision-making.

- Interest and focus on Futures Analysis is building across the APS, partially facilitated by the *APS Strategic Futures Network* – led by the National Security College's Futures Hub – which includes around 25 agencies in Canberra, and in light of the futures emphasis of the recent Independent Review of the APS.

Policy recommendations

- Commonwealth departments and large agencies should, at a minimum, invest in small Futures units (of 3-4 people) which are empowered to leverage external expertise and integrate it into organisational thinking and decision-making.

- The Australian Public Service Commission should consider recognising 'Futures Analyst' as a job role within the existing APS Job Family Model framework.

- Agencies should target research funding to projects that synthesise cutting-edge research to deliver practical, action-focused outcomes aligned with Futures analyses – bridging academic and practitioner perspectives.

Nations and governments today face complex structural challenges; the result of several decades of sweeping economic, technological and social change. The COVID-19 pandemic, and government responses worldwide, will likely ensure that the 2020s is a 'decisional decade'. The critical choices we make on core systems that underpin human flourishing – from technology and governance, to energy, climate, and social equity – will place us on paths that will be difficult to depart from, and thus be defining for the generations that follow.[1]

In the public sector, previously distinct policy areas – such as national security, economic, and social – will become even more closely intertwined and, together, will create potential for unprecedented second- and third-order effects. These interconnections have been made very evident in the current pandemic crisis but will be an enduring feature of future policymaking.

Why Futures Analysis?

The 2019 Independent Review of the Australian Public Service (Thodey Review) identifies four mega-trends which will disrupt and shape the future operating environment of the APS:

1. changing public expectations of government

2. sweeping and rapid advances in technology

3. societal and geopolitical shifts, such as increasing global instability, the rise of the global tech giants, and growing inequality

4. the changing nature of work.[2]

The risk is that such trends will overwhelm and paralyse both governments and the publics they serve. Governments are dealing with unprecedented quantities of citizens' personal data, which means public organisations will be scrutinised more closely than ever. Public expectations of service delivery tailored to the needs of individuals and specific communities of interest – for example, localised bushfire response and recovery packages, or targeted assistance to small business in the wake of the COVID-19 pandemic – will continue to grow. Governments and departments will also increasingly require a 'futures vision', an authentic story to tell about their purpose and plans, to assure their legitimacy.

The Thodey Review reinforces the importance of APS leaders proactively engaging with the future. It recommends, for example, that the APS Secretaries Board undertake cross-portfolio work to collectively consider future trends and their implications for Australia, including through scenario planning exercises (recommendations 28 and 37).

Public sector bureaucracies are often bound by inflexible planning cultures with few immediate incentives for long-term planning, policy thinking and enduring process innovation. This immediate and rigid mindset creates significant risk of being caught out by surprises and unexpected consequences.

Reducing this risk is both possible and compatible with the predictable structure and focus on delivery that effective bureaucracy demands. By putting effort into Futures Analysis, organisations can minimise surprise without undermining other strengths. This is not a new concept, indeed it's one celebrated in countries like Singapore, and in the US intelligence community and UK Ministry of Defence.[3]

A strong public sector futures culture will be integral to understanding what constitutes the 'public good' of the future and testing the roles of the governments of tomorrow. It will still be governments – even allowing for the internet's capacity to diffuse power and influence – which retain the systemic authority to shape change to serve that broad public interest.

At a more micro level, the working-level *APS Strategic Futures Network* recently conducted a workshop on emerging future themes, identifying complex issues that transcend single areas of policy and that require innovative approaches to modelling, regulation, and partnering. These included:

- artificial intelligence (AI) frameworks that balance efficiency with fairness of outcome

- the commercialisation and potential militarisation of space, and related need for space governance frameworks that enable cooperation on commons challenges while preserving sovereign interests

- Australia's energy security

- the geopolitical implications of the rise of Asia's middle classes.

Futures at the organisational level

Worthwhile Futures Analysis seeks to understand the range of ways the future could plausibly unfold, rather than making bold predictions or forecasts. Providing decision-makers a credible spectrum of what may happen enables them to better understand key and potentially misleading assumptions upon which current policy is based. Scenarios and alternate projections also allow testing of future policy ideas, capability plans and partnerships in different contexts. In short, Futures Analysis asks: what stands up well across different plausible versions of the future, what doesn't, and how should that influence our priorities for investment or divestment now (in policy, capability, partnerships, workforces, technology etc)?

Key Futures techniques include:

- *Alternate worlds:* Identify key drivers of change and use them to build alternate futures (often visualised in a matrix).

- *Backcasting:* Create a worst- or best-case future scenario, then imagine a plausible pathway back to the present to understand trends, signals and policy choices that could lead to this dystopia/utopia.

- *Broadening the perspective:* Analyse an issue through different lenses, such as PESTEL (political, economic, social, technological, environmental, legal factors).

Futures in government

Organisations can achieve significantly improved future preparedness by investing in small, niche capabilities – with reach across the enterprise and beyond. Singapore, the UK, Finland and Canada are considered to have the most established Futures capabilities. Their experience suggests successful Futures units need on dedicated resources, strong mandates and empowerment to consider a range of interdisciplinary issues.[4]

A well-connected Futures team, with licence from the organisational Executive, will challenge silo culture and facilitate greater policy contestability. It can examine issues that impact on an organisation's future workforce, capability and networking needs. And it can inform a future vision and help leaders engage with risk.

These imperatives are also clear in the Thodey Review's recommendations. Implementing key recommendations will require robust Futures approaches:

- 'future-focused and agency-specific' capability reviews (2a)

- an APS culture that underpins public trust (4), purpose and vision (6), innovation and experimentation (27)

- creation of dynamic portfolio clusters, which strategically integrate economic, social, natural resource management and security outcomes (29)

- reducing hierarchy and bringing the right expertise and resources to the table (32)

- digital transformation (throughout).

What does a high-performing Futures Unit look like?

A Futures Unit should be small, agile and connected.

- Its staff are 'foxes', who read and consult widely, readily absorb knowledge from diverse sources and constantly reassess the data. Staff are independent in outlook and ready to question orthodoxies, yet prioritise based on the issues most relevant to the portfolio – it's having the 'right' staff rather than a certain number with specific expertise.

- Collectively, staff have broad knowledge and experience from across the portfolio, strong connections to teams, actively share insights with the *APS Strategic Futures Network*, and maintain contacts in academia, industry and civil society.

- The unit is a 'warehouse' of techniques and advice. It develops a strong organisational Futures culture by translating plausible Futures into the policy 'so what' for today. It trains staff in techniques, and is routinely sought out for policy co-design.

- The unit is used/consulted by the Executive to project the challenges the organisation will face in 5-10 years and what this means for capability and workforce planning now. It produces portfolio Futures papers which are linked to organisational plans.

- Staff should be well-known and accessible. Simple mechanisms such as blogs, newsletters and external speaker series can be a force multiplier.

The current APS Futures picture

The current upturn in interest in Futures Analysis provides a powerful opportunity to build an ongoing Futures capability in the APS, which is networked across governments, and into the research and private sectors.

Organisations such as Defence and the Australian Federal Police (AFP) are broadening the networks of their established Futures capabilities, consistent with the increasing complexity of national security and law enforcement environments. For example, in the last two years, Defence has provided subject and geographic expertise to the UK Ministry of Defence's renowned triennial Global Strategic Trends product, while the Defence Science and Technology Group (DSTG) has a longstanding networked analytical team dedicated to

technology Futures. AFP, meanwhile, has teamed with the National Security College (NSC) Futures Hub to write an influential report on the future of policing,[5] which has informed discussion with international law enforcement partners.

The last two years has also seen the establishment of the Office of National Intelligence, which can bring major analytical firepower to the Futures space. Additionally, dedicated Futures capabilities have been established in the Departments of: Foreign Affairs and Trade (which now hosts an annual 'Futures Week' including influential speakers on international Futures); Home Affairs; Industry, Science, Energy and Resources; the former Department of Communications and the Arts; and, at the state level,

NSW Premier and Cabinet.

The NSC Futures Hub, meanwhile, plays a bridging role between organisations, particularly in the government and academic sectors, while acting as a source of advice and a repository of knowledge on Futures techniques.

The intellectual and creative weight of the College's Futures Council – a collection of former organisational leaders, academics and writers – can also be brought to bear on Futures issues, through workshops, surveys and scenario-building.

A more robust approach to the future

Robust and practical analysis of the future cannot be left to specialists in standalone units, think tanks or academia. Agencies need to be able to integrate insights and assessments about likely and possible Futures into decision-making today.

To do this, agencies can begin by investing in small Futures Units (3-4 people). Their initial focus should be leveraging insights from across established networks to quickly bring back skills in Futures thinking and horizon-scanning techniques. The team can then start tailoring to its portfolio, working with department staff to apply these techniques to their work, and in the process demonstrate initial value and build credibility. This then becomes a base for more strategic, portfolio-wide Futures research and papers.

It's easy to underestimate the demand and interest in Futures thinking that already exists. The NSC Futures Hub experience is that younger APS staff in particular intuitively recognise the importance of Futures analysis and are eager to integrate it pragmatically into their work routines.

To embed a stronger culture of robust Futures Analysis, consideration should be given to recognising 'Futures Analyst' as a job within the APS Job Family Model. The role would reside most logically under the existing 'Strategic Policy' job family given its function in informing long-term policy and capability development.

Finally, government should invest 'smart' in Australia's tertiary and industry sectors to target Futures research in a practical and action-focused, but independent way. Australia has world-leading researchers in Futures-relevant fields such as AI, geoeconomics, geopolitics, space and quantum physics, who can make important contributions via workshops and sponsored research.

Notes

1. 'Path dependence' refers to the way in which small choices can have system-wide consequences. Once a dominant system (e.g. the QWERTY keyboard) is locked in it can become too costly and impractical to switch.
2. https://pmc.gov.au/sites/default/files/publications/independent-review-aps_0.pdf
3. Singapore's Centre of Strategic Futures, located in the Office of the Prime Minister, is renowned for whole-of-society futures and its focus on 'shaping' rather than predicting. Staff are generally seconded from other parts of government and experience at the Centre is seen as prestigious. Global-level futures reports are released by both the US National Intelligence Council (quadrennial) and the UK Ministry of Defence (triennial).
4. Independent Review of the APS: Priorities for Change, Interim Findings, 19 March 2019, p.41.
5. Young, R. & Meli, O. *Trusted, ethical, fast-moving and effective: The AFP investigative team of 2030*, ANU NSC, Futures Insights Report, 2019.

About the authors

Ryan Young is the Director, and Lachlan Wilson and Anastasia Kapetas are advisers, at the National Security College Futures Hub.

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Policy Options Papers offer short, evidence-based and forward-looking insights and recommendations for policymakers on topical national security issues facing Australia. Every paper in the series is informed by consultation, and reviewed by practitioner and academic experts.

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T +61 2 6125 1219

E national.security.college@anu.edu.au

W nsc.anu.edu.au

@NSC_ANU

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