

New Head of Regulator

POCKET GUIDE



TOP 10 TIPS

from Current and Former
Heads of Regulators

The Regulator Leadership Cohort thanks the following current and/or former Heads of Regulators for sharing their valuable insights:

- *Wayne Byres* – Chair, Australian Prudential Regulation Authority (July 2014 – October 2022)
- *Chris Jordan AO* – Chair, Australian Tax Office (January 2013 – current)
- *Stephen McBurney* – Chair, Australian Building and Construction Commission (February 2018 – February 2023)
- *Nerida O'Loughlin PSM* - Chair, Australian Communications and Media Authority (October 2017 – current)
- *David Parker AM* – Chair, Clean Energy Regulator (July 2017 – current)
- *Sandra Parker PSM* – Ombudsman, Fair Work Ombudsman (July 2018 – current)
- *Clare Savage* – Chair, Australian Energy Regulator (September 2019 – current)
- *Rod Sims AO* – Former chair, Australian Competition and Consumer Commission (August 2011 – March 2022)
- *Adjunct Professor John Skerritt* – Deputy Secretary and Head, Therapeutic Goods Administration (May 2012 – April 2023)
- *Pip Spence PSM* – CEO, Civil Aviation Safety Authority (May 2021 – current).

Foreword

Inaugural Chair, Regulator Leadership Cohort

On behalf of the Regulator Leadership Cohort, congratulations on your appointment as the head of an Australian Government regulator.

Working as the head of a regulator is both a privilege and a challenge. It is a role where you have the opportunity to work in the public interest and make a tangible difference to the lives of individuals and the broader Australian community. You must act with integrity and as a regulatory steward – to work with the community and other agencies to leave the system in a better state than you found it.

Being a Head of Regulator also requires a high level of regulatory "craft". You may be the individual charged as the sole, independent decision maker, over issues that are tricky and complex. This can be isolating, but it is important to remember that "independent" does not mean "alone". You will have to know the particulars of the industry or sector that you are regulating. You will also have to learn what it means to be the Regulator - your peers can help with that.

In June 2021, the Regulator Leadership Cohort launched the Regulator Leadership Masterclass series (co-sponsored by Australia and New Zealand School of Government). The intent of the sessions is to bring together heads of regulators to establish a peer support and learning network, share best practice and lift performance, capability and culture across regulators.

The idea of this pocket guide arose from our first session, which discussed the challenges of being new to regulatory leadership.



This pocket guide is a collection of ten key tips and tricks from current and former regulators on what they wish they knew on their first day. It has been collated by the Regulator Performance Team at the Department of Finance, based on insights from a number of one-on-one interviews with current and former heads of regulators. This pocket guide also brings together the outcome notes from the Masterclass series to date.

If there is one thing I would like heads of regulators to take away from this guide, it is the importance of building a strong peer network around you. We all face similar challenges.

All the best on what is an exciting and fulfilling career path.

David Parker

David Parker AM

Inaugural Chair, Regulator Leadership Cohort
Chair and CEO, Clean Energy Regulator

April 2023

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Working as the
head of a regulator
is a terrific privilege.

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Top 10 tips

#1

Don't go it alone! Build your formal and informal networks with other current (and former) Heads of Regulators.

#2

Take the time to consider your legislation and regulatory tools, and whether your governance arrangements support your regulatory goals.

#3

There is no 'one size fits all' approach to risk! It is important to manage and adapt your risk appetite in different situations to meet agency goals.

#4

Go on a 'listening tour' early in your tenure. Listen to your staff and senior leadership team about their experiences working within your agency.

#5

Engage with your regulated community, but consider whether the form and nature of your interaction may raise any actual or perceived conflicts.

#6

Remember: if you aren't talking to the media, you aren't talking to the Australian community.

#7

Effective engagement and advocacy within Government is equally important as engagement with external stakeholders.

#8

Stay across what's happening in your Minister's world. Read the newspapers and understand the wider political and operating environment.

#9

Consider undertaking a Culture and Capability Review. Consider bringing in someone to ask the right questions and record the answers correctly for later use.

#10

Being a Head of Regulator is a privilege that allows you to touch and impact on the lives of the Australian community.

#1 Building networks

Don't go it alone! Build formal and informal networks with other current (and former) Heads of Regulators.

Building networks with peers

- Don't go it alone! When I started as a Head of a Regulator, I quickly noticed the lack of institutional support available and this can create a sense of isolation. To fix the problem, I found it useful to build relationships with other Heads of Regulators who are in similar positions and experience similar challenges.
- Reach out and talk to other Heads of Regulators and peers early on, both formally and informally. As the 'head' of a regulator, you are not surrounded by peers in the same way you are in a policy agency. It's valuable to talk to others about regulator-specific issues.
- There's a difference in being 'a leader' and 'the leader'. Most, if not all, Heads of Regulators have extensive experience in leading large teams and organisations, but the step to being a Head of a Regulator is a huge shift. Do not underestimate the challenge. Make sure you have people around you who understand the challenge and can support you
- Creating institutionalised networking opportunities is made easier by building networks. This includes forums such as the Regulator Leadership Cohort, Masterclass Series and portfolio regulator forums. I wish these resources existed when I started in the job.
- Some portfolios hold forums to encourage engagements between regulators, which are useful to discuss common issues. If a forum doesn't exist in your portfolio, consider whether one would be useful and make a start in organising it.
- Joining the Regulator Leadership Masterclass series is a good avenue to building networks. It's worthwhile to also meet in smaller groups with regulators who share similar characteristics such as their size or maturity.

There's a difference in being 'a leader' and 'the leader'.

#1 Building networks

Mentoring

- It's worthwhile getting a coach or a mentor. I'd suggest considering a politically astute former regulator who's able to provide you with sound advice.
- It's also useful to regularly talk with someone about what you're working on, the political environment, regulatory landscape and the issues that 'keep you up at night'. It's worthwhile to be exposed to the perspective of someone who has been a Head of Regulator and can give you advice on how they handled similar situations.
- There's nothing stopping you having multiple mentors. You could have a mentor focused on your development, another helping you with subject matter, and another based on organisational issues and so on.



There's nothing stopping you having multiple mentors.

#2 Legislation, regulatory tools and governance

Take the time to consider your legislation, regulatory tools and whether your governance arrangements support your regulatory goals.

Understand your legislation and regulatory tools

- I was advised at the time of my appointment to read the relevant legislation to understand what Parliament intended the agency to do and the tools Parliament provided to complete the tasks. When I looked at the legislation, I realised there were some lower-end enforcement tools that could be useful, but were not being used. Since increasing the use of some of these tools, almost four times the recoveries have been achieved.
- Looking back, I wish I'd spent the time creating a clear map of the regulatory tools available under the legislation. It took a while to discover the extent of these regulatory powers.
- As a Head of Regulator, you are there to regulate to achieve a purpose. The subtle link between regulatory tools and the purpose to be achieved is fundamental to being an effective regulator.
- Always think about purpose. Be prepared to change your viewpoint to achieve a purpose. Regulation is about achieving an outcome, not just about making a decision.
- Testing the law is an important function of a regulator.
- From the outset, it's important to focus on having fit-for-purpose digital tools to support your regulatory and accountability responsibilities. At a former agency, a system was established to manage title registrations. The organisation's title holdings grew rapidly; and many of the titles had different and distinct attributes. We realised quickly that we had made the right decision to establish a system as an early priority.



Testing the law is an important function of a regulator.

#2 Legislation, regulatory tools and governance

Consider your governance structure

- Know and understand your requirements under the *Public Governance, Performance and Accountability Act* (PGPA Act)! It's worth arranging for a briefing from the Department of Finance and the Australian National Audit Office to assist in understanding what is required under the PGPA Act. This will assist you in formulating, and providing, timely and accurate responses to the questions you should ask of your senior management.
- Consider whether your agency would benefit from a 'governance health check'. Apart from your own acts of due diligence, it's important to source someone within your executive office to own and drive the governance health check project on a day-to-day basis.
- It's also important to establish your executive office well. Surround yourself with a team of people who you trust and who know your organisation and its background well.
- Understand your organisation's governance structure. Is your position or role legislated to be the accountable authority or is it your board of directors? Which position in your agency has regulatory decision-making responsibilities? Are the agency's structures fit-for-purpose over time?
- If your governance structure is not established correctly to deliver the agreed outcomes, consider raising this matter with your portfolio department and Minister. This is especially important if you think your governance structure will not help you deliver into the future.




Consider whether your agency would benefit from a 'governance health check'.

#3 Engaging with risk

There is no 'one size fits all' approach to risk! It is important to manage and adapt your risk appetite in different situations

Determining your risk posture

- It's important to remember that there's no 'one size fits all' approach that you can apply to risk. Even within a regulatory agency, different categories or groups of your regulated community may carry different levels of risk.
- The goal is to have confident regulators managing risk proportionately. It's important to create a culture where staff feel supported. In the process of managing risk, sometimes as regulators we will get it wrong, and that's okay. The important part is to learn from mistakes (and not to repeat them). This can be understandably difficult for staff, who in some areas are subject to increased political and public scrutiny.
- Policy people tend to think of regulatory problems a little bit more in the abstract than a regulator. You can't solve regulatory problems by writing down an equation and solving it. It's much more complicated than that – it involves managing risk. On my first day, I wished I'd known a little bit more about how messy the world can be and how being a regulator should be considered an art.
- You can't have someone coming to the Head of Regulator and saying "Sorry, I broke the law, but if you don't take action against me, I won't do it again". That situation leads to perverse outcomes; it should not be a get-out-of-jail card.



There's no 'one size fits all' approach that you can apply to risk.

#3 Engaging with risk

Weighing-up risk

- Consider your enforcement and compliance strategy. A strong compliance framework and priorities are needed, to operate without fear or favour.
- Make sure your Senior Executive Service-level sit in the room and have frank conversations. That is – what is the immediate priority the agency must focus on?
- Having a 100 per cent success rate in a court of law may mean that a Head of Regulator is not engaging with risk. Regulators should take on cases where the outcomes are less certain in order to test the law.
- Don't 'knee-jerk' respond to matters.

Engaging staff in discussions about risk

- Engage your executive staff in discussions around risk. These discussions are as important at the executive level as are discussions around any other subject matter.
- Most well-meaning departments develop risk plans. However, if you or your staff cannot describe your key risks simply then it might be just waffle! Approaches to risk should be flexible, but there should be some lines that your agency cannot cross. Articulating them simply is important.
- It's important to build a culture that's responsive and engaging with risk. This applies to staff at all levels.



It's important to build a culture that's responsive and engaging with risk.

#4 Engaging with staff and senior executives

Go on a 'listening tour' early in your tenure. Listen to your staff and Senior Executive Service (SES) leadership team about their experiences working at your agency.

Preparing for your first meeting with agency staff

- I would encourage a 'listening tour' very early on in your tenure. Listen to your staff. What do they think about working at the agency? Ask them about the benefits and challenges. If you're in a national agency, it's important to visit all offices, ideally in person. There is an inclination to be Canberra-centric otherwise.
- Understand your agency and the environment in which it operates. For example, be aware if your agency has gone through recent change or instability. Staff may be anxious that more change is to come.
- It's worthwhile to read the agency's most recent internal Census results. Focus particularly on indexes such as wellbeing, innovation and engagement. It's also worthwhile digging deeper to understand whether there is a particular issue at a divisional level or perhaps at a State or Territory level.
- It's important to know from Day One about any 'skeletons in the closet'. Talk to the Chief Financial Officer (CFO) and head of HR about any security, bullying, harassment or code of conduct breaches. Ask for copies or high-level summaries of exit interviews.

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#4 Engaging with staff and senior executives

Engaging with your Senior Executive Service team

- I spent the first six-to-eight months listening and getting to know my SES team and their operating style. It was important to me to make sure that the SES operated in a fraternal, rather than competitive, way.
- Do not operate with a level of distrust in others or in the APS but you will need to quickly develop a sense of who are the 'wise heads' and who is reliable. Particularly in the first few months of arrival, you're trying to get your head around things and have to make regulatory decisions at the same time.
- It's important to quickly establish a good rapport with your senior leadership team. Meet individually with members of your Senior Executive. Get to know them and find out what they are there to do, and their career aspirations. You need to work out who is on board quickly. Don't be afraid to set expectations, even if they are different to your predecessor. Take up the space left by your predecessor.
- Address your leadership team early and hold honest and upfront conversations. Create options for people and hire the right people for the right job.
- It is important to empower your SES leadership team, let them do their jobs and be the CEOs of their own world. Trust them and let them get on with it.



It is important to empower your SES leadership team, let them do their jobs and be the CEOs of their own world.

Ensuring ongoing positive engagement with staff

- We provide staff with a corporate update every two months that includes information on financial statements and executive reports in areas they don't have a role in.
- It's important that staff consider they have some oversight, or at least visibility, on how the agency is run. This gives staff the opportunity to raise any questions with you in a low-risk environment.

#5 Avoiding regulatory capture

When engaging with your regulated community, consider whether the form and nature of your interaction may raise any actual or perceived conflicts.

Benefit of engaging with the regulated community

- Building expertise and engagement with the sector being regulated is a vital component of becoming, and being, an effective regulator. For example, informal liaison can support knowledge sharing between the regulated and the regulator leading to better outcomes.
- Engagement, education and advocacy activities can be a valuable part of an enforcement and compliance strategy. For example, more accurate risk profiling can nudge more voluntary compliance; or crafting a better proactive approach can reduce reliance on enforcement action.

Maintaining effective engagement while avoiding regulatory capture

- When considering whether to speak at an event sponsored or run by a member of your regulated community, it's important to consider the purpose of the engagement. There is a difference between one member of the regulated community paying for flights and accommodation to attend a private dinner as compared with a representative from the regulated community travelling to present as a keynote speaker at a conference. Consider who the meeting is with: is it one business or is it a group of 100 stakeholders?
- 'Do the pub test.' Regulators need to hold themselves to a higher level of perceived conflict of interest or that which matches the Australian community's expectations.
- It's also worth considering your personal relationships. For many Heads of Regulators who have moved to a government position from industry, some of your closest friends may also be members of your regulated community. Consider where the line is, and make it clear with your 'friends' that you won't talk about work when you're with them.
- It can be challenging for some Heads of Regulators to avoid the perception of regulatory capture. This is particularly the case for regulators who are partially or fully funded by business through a cost-recovery model.

#5 Avoiding regulatory capture

- If you are in a situation where, as a regulator, you are considering entering into a contract with a member of the regulated community, then think carefully. It is vital to weigh-up the pros and cons of this situation. Are you able to justify why your agency is entering into the contract and conducting the activity and what measures are in place to avoid regulatory capture? This matter will likely be discussed at a Senate Estimates committee hearing and you will need to respond to the questions raised in the hearing.

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Educating staff on regulatory capture

- It's important to establish the right administrative procedures and governance frameworks for your agency. It's important that agency expectations concerning regulatory capture are written down, shared and discussed with staff at all levels. It's important that staff understand there is a difference between accepting a lunchtime sandwich at a training session, as compared to accepting a \$200 after-hours meal eaten at a restaurant paid for by others.

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Establish the right administrative procedures and governance frameworks for your agency.

#6 Engaging with the media and the public

Remember, if you aren't talking to the media, you aren't talking to the Australian community.

The importance of engaging with the media

- It's important to be available to the media for interview! If you aren't talking to the media, you aren't talking to the Australian population. This may seem overwhelming, but there will only ever be a small number of journalists interested in your remit of work. Most journalists are in it for the right reasons, they are often trying to understand the complex issues your agency regulates.
- A key component of a Head of Regulator's role involves engaging with the media, regarding the 'good and the bad' of regulatory behaviour. Get out there and spread the message.
- It's often more important to be out and engaging with the media when things turn 'bad', because if you don't, the media (and or the public or politicians) will fill in the communications gaps for you. When facing the media in these situations, it's best to explain the reasons why your agency took the case. For example, the alleged behaviour was dreadful This is your chance to take power and control of the narrative.
- Dealing with the media is challenging. I underestimated in this job the amount of scrutiny the media give over every term and phrase used. It's a challenge when many Heads of Regulators want to speak freely and openly.
- From a personal perspective, it's wise to remember you will receive criticism, but you will also earn praise. I try and ignore the praise and consider the criticism. You don't have to agree but think about what the feedback is telling you. At the end of the day, you have to do the right thing! You can't be making decisions for fear of criticism. Instead, understand what the criticism is, reflect on it and do the right thing by your agency.
- Be savvy and think about what media requests you could undertake to assist the Minister. I don't find this a hindrance on my independence and it is certainly one way of assisting the Minister to promote the regulatory issues at hand.

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#6 Engaging with the media and the public

Ensuring your agency is in the best position for strong engagement

- The concept of engaging with the media is foreign for many public servants, but it comes with the territory as a Head of Regulator. When I first started, it was not uncommon for subject-matter expert staff (EL2/SES1 level) to be talking to the media. In some agencies, the APS6 was the subject-matter expert. This arrangement has changed in the APS and it is now only the statutory appointees who speak to the media. It's too risky to put public servants on record in the media – and, realistically, you don't want to hang your staff 'out to dry'.
- Engaging with the media is not the same as appearing in front of parliamentary committees! The audience and the purpose are very different.
- It's important to speak to the public via the media in easy-to-understand language.
- The public may often perceive regulators as the 'fun police' or being 'kill joys'. It's important to clearly and simply explain the reason behind your decision as a Head of Regulator. Use plain English to convey your messages! For example, no member of the public cares which section of the Act is in force to support your decision. It's also okay to show your personality when talking to the media.
- When speaking to the media and giving comment, never justify by the rules. Instead justify by intent.
- Take charge of the narrative, while remaining respectful when answering questions. If you don't like the question you are asked, answer a slightly different one and offer to follow-up with other information.
- In response to a decision or outcome that has gone 'wrong', remember it is important to be factual. Outline the steps your agency is taking to move forward. It's okay to say you don't know the answer to the question.
- Over time, the media scrutiny and intensity has increased. It's important to explain to the media and the public what your agency did or didn't do and what the decision means for the community. Do not use any complex language or try to explain the technical nature of the decision. Instead focus on communicating the 'why' of the decision taken.



Focus on communicating the 'why' of the decision taken.

#6 Engaging with the media and the public

Supporting staff through media criticism

- Don't hang your staff out to dry by expecting them to withstand media criticism. Stand by them and offer them support.
- For Heads of Regulators, often as the main decision-maker, facing criticism over a regulatory decision is seen as part of the job. However, criticism can be difficult for junior staff to manage. It's important to stand by your staff in the face of public criticism and scrutiny. Provided the decision-maker followed the correct process, it's important that the Head of Regulator is seen to support and protect the decision-maker. A decision should be a decision of the agency, not an individual's decision.



It's important to stand by your staff in the face of public criticism and scrutiny.

#7 Stakeholder engagement within Government

Effective engagement and advocacy within Government is equally important as engagement with external stakeholders.

The importance of advocacy within Government

- To be a successful modern regulator, it's important to engage with a wide range of stakeholders. This includes participating and contributing in 'advocacy' and 'stakeholder' engagement activities within Government, and not just as part of external engagement.
- It's important to recognise that it may be difficult, if not impossible, for regulators to achieve their objectives alone. That is, Heads of Regulators need to work with policy agencies and portfolio Ministers to use levers and leadership outside of the regulator's remit to achieve their regulatory goals.
- Trusted and productive relationships between staff at all levels in policy agencies and regulators can support Heads of Regulators being included – and often earlier – in discussions regarding policy issues and design.
- Regular engagement is important, and should not just happen when things go wrong and need to be fixed.

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#7 Stakeholder engagement within Government

Building trust with Government partners

- Trust is supported by actively preventing surprises and approaching issues in a constructive and open way. Remember to focus on solutions rather than on the legislative or operational constraints.
- Regulators should emphasise what they can offer policy agencies in policy formulation and decision-making via their industry expertise, direct stakeholder relationships, data and practical implementation insights.
- Establish institutional arrangements to help break down barriers and normalise regular engagement between policy agencies and regulators at all levels. Ensure you always present well and leave your ego at the door to solve problems together.
- When advocacy is part of a regulator's compliance toolkit, recognising this can raise challenges for the relationship with the policy agency and may require active consideration and handling.

Positive engagement while retaining independence

- While regulators often have independence around statutory decisions, they are still accountable to Government, Parliament, portfolio Secretaries and the broader community for the performance of their agencies.
- There are risks of overly focusing on maintaining the regulator's independence, including the unhelpful dynamics that can arise from a perceived need, from policy agencies and regulators, to protect that independence. It is important for regulators to keep sight of the broader purpose, of doing a good job and minimising harm.
- There isn't a clear line on 'independence' of a regulator. Accept this as a truism and learn to navigate through the grey areas of public policy, parliamentary matters and the politics of the day.



There isn't a clear line on 'independence' of a regulator. Accept this as a truism and learn to navigate through the grey areas.

#7 Stakeholder engagement within Government

Engaging with other regulators

- Often you will be in a situation where your regulatory remit overlaps with the remit of another regulator which will require engagement with other regulators. Engagement can occur at three levels - coordinate, cooperate or collaborate. By collaborating, often the best outcome is reached as there is an acknowledgement by leaders that we are in this together. Reminding ourselves that we are working for the same community, the Australian people, is a helpful focus.
- Consider whether formal Memorandums of Understanding or other formal structures would be useful to discuss issues with common regulatory overlap.
- There can be challenges engaging with other regulators when different organisational structures or decision-making frameworks are applied. The challenge is often in gaining insight into where and when decisions are made. When there is a crisis, such as with the COVID-19 pandemic, it is somewhat easier to make decisions as everyone has the same priority. However, it can be challenging in non-crisis times when regulators are motivated by other priorities to make similar decisions.
- If things do go wrong, such as information requests fall through the cracks or a regulator shares information they are not meant to, angst can be the result, which risks straining the relationship. At this point, it's important that leaders set the tone and make sure that the regulator is committed to achieving better outcomes in the future.

Other tips

- Don't underestimate the importance of secondments between the policy agency and regulators to understand each other's business and influence cultural change.
- It's worthwhile maintaining a 'bottom drawer' of ideas for changes in regulatory settings, for use and quick action when the time and environment is right for discussion with policy agencies and Government.



It's worthwhile maintaining a 'bottom drawer' of ideas for changes in regulatory settings.

#8 Engaging with Ministers and the Parliamentary process

Stay across what's happening in your Minister's portfolio. Check the media monitoring reports on a regular basis. Read and listen to the media to keep up-to-date with the wider political and operating environment in which your agency operates.

Tips for your first engagement with your Minister

- Before meeting with your Minister, spend some time getting to know their priorities and objectives. If possible, talk to your predecessor or another Head of Regulator in your portfolio for tips on engaging with the Minister.
- It's important to be aware of your Minister's operating style. For example, the Minister may have a 'no surprises' approach to provision of information and data. This could impact on your own operating style, particularly in how your agency engages with the media or parliamentary committees.
- It's vital to stay in touch with the national and Canberra-based media. Read the relevant sections of the local newspaper, and check your daily media monitoring reports. Find out what's happening in your Minister's world, and be aware of and understand the environment they and you are operating in. For example, is your Minister currently dealing with a controversial piece of policy or under fire on a particular issue you may need to avoid talking about or engage with?



Find out what's happening in your Minister's world, and be aware of the environment they are operating in.

#8 Engaging with Ministers and the Parliamentary process

Maintaining regular contact with your Minister

- High-quality briefing is important. Consider an update of the brief every 3-6 months. Strip back what is happening and use a traffic light system (green, amber and red). High-level, regular briefings to the portfolio Minister help establish, maintain and develop effective ongoing engagement from Ministers.
- Attend monthly meetings with the Minister's Office, and also send the Ministerial advisers the litigation reports with updates on matters before the court or of relevant significance.
- Regular briefings help engagement especially when the portfolio minister may be responsible for a large portfolio of many agencies and regulators. Doing so will mean that a Minister will be regularly engaging with relevant issues on a consistent basis.
- Regular contact with your Minister does not mean with your Minister directly. It means regular engagement with the person in your Minister's Office who is responsible for your area or with the Chief of Staff. If the Minister wants to talk with you, the Minister's office will make contact.
- I would call the Minister's office and the Prime Minister's office fairly regularly to ask if they have any issues with what I'm doing. That is, would there be anything you would like me to emphasise and do differently? It's not about compromising independence, it's about touching base with people so they don't get a negative view of something and it is simmering in the background.
- The 'rotating door of advisors' can be a challenge, given you have to start the relationship again. Encourage sharing graphs, tables, and visual tools to help brief them. Make your information easy to understand and easy to absorb quickly.



Make your information easy to understand and easy to absorb quickly.

#8 Engaging with Ministers and the Parliamentary process

Preparing for the Parliamentary processes

- Remember that Members of Parliament will not necessarily understand the limit or remit of your role. They'll ask why you're not taking action on 'X' issue. You may be criticised for not enforcing certain laws but, in some cases, the laws are not within the Head of Regulator's remit. Keep explaining your remit in a polite way. Do not expect Members of Parliament to know the limits of your remit and the actions you cannot take.
- It's important to remember that questions from Ministers are usually of general interest.



Remember that Members of Parliament will not necessarily understand the limit or remit of your role.

#9 Culture and capability

Consider undertaking a Culture and Capability Review. Bring someone in to ask the right questions.

Gaining an understanding of current culture and capability

- I'd suggest a new Head of Regulator undertake a capability review upon arrival in the agency! Bring someone in to consider these issues early on to ask the right questions. Talk to stakeholders, run focus groups, consider what your agency is required to achieve. For example, where the agency is headed and where it is not performing well. Staff will be willing to share this information with you early, but after a while their motivation may lapse. It's important to share the results of the Review with staff to make sure all staff are on the same page.
- All agencies over time become layered with process. While staff in an agency become used to these processes, it's useful to gain the views of new agency staff. Often they'll be in the best position to identify pain points and areas for improvement.
- Remember you don't need a burning platform for change. Start by pointing to a few symbolic things, such as cumbersome processes designed to eliminate risk, and use these to build a compelling narrative on why agency change is necessary.
- As a Head of Regulator, you'll need to quickly gain a good grasp of internal capabilities! If you don't have a good understanding of your agency's capabilities, a downward spiral might occur. For example, a situation might occur where promises are made to your portfolio minister, regulated community and/or other stakeholders, including through your Statement of Expectations that cannot be delivered. Find out your agency's internal strengths and weaknesses. Ask people internally, but also seek out a solid objective viewpoint from external stakeholders. You may also seek an international peer to undertake this activity.



Remember you don't need a burning platform for change.

#9 Culture and capability

Managing cultural transformation in your agency

- As a Head of Regulator, it's important to be a cultural champion for your agency. It's one area I wish I started on earlier in my tenure.
- It takes a long time to deliver organisational cultural change. There may be a few quick wins, but it will take a while to permeate the whole organisation. Engage with your senior executive in a conversation about how the organisation operates rather than just discussing subject matter material. It's important that your SES colleagues are engaged in the organisational cultural change process.
- It's worth considering whether there's value in documenting your 'cultural expectations'. This could include how to treat each other, external stakeholders and members of the public.
- Managing a talented and high-performing leadership team following a cultural change journey can present its own challenges. One solution is to set expectations and empower teams to act as CEO of their own area of responsibility.
- It's worth keeping in mind that a 'big bang' approach to cultural transformation can be useful to start with, but it cannot be the default position. Once the initial 'big' cultural change has occurred, the focus should shift to gradual incremental improvements. This is important as it will ensure culture change continues to develop and does not become stiff and difficult.
- Part of a cultural climate is to embrace diversity of work location and working styles.

Resistance to cultural change

- During the transition period, it's important to make sure management supports your vision. For example, provide a strong presentation of expectations of the leadership group, saying 'have respect for yourself, for the organisation and respect for your clients and staff'. In my case, approximately one third of the SES left over the next 12-month period. I made sure it was known that I will not tolerate any sort of opposition to cultural change. Once expectations were clear, everyone felt freer in their workplace.



It's important to be a cultural champion for your agency.

#9 Culture and capability

Promoting and measuring the benefits of a cultural transformation to staff

- Narrative and storytelling are important to promote cultural change in an organisation. When briefing staff on cultural change efforts, remember to use simple concepts and ideas that can easily be conveyed and understood. Consider reinforcing the message several times. The simpler the story and the more focused it is on empowering teams, the more easily culture change can be communicated, reinforced and acted upon.
- Explain to staff that the client and staff experience are interwoven. During the process of change, assist staff to understand and accept that the aim is to create an environment supportive of their wellbeing and ability to do their job well. Only once staff experience flexibility can they bring this quality into their dealings with clients.
- It's important to measure your culture baseline before starting a change program. Some of the indicators used could be unplanned leave, net promoter score, trust measures, worker compensation figures. Over time, the baseline will allow for measurable progress and a greater understanding of the impact of the change process and program.



High-levels of flexibility and good pastoral care are two areas of high-staff expectation.

Retention of staff in a competitive job market

- Talent acquisition and retention can be difficult. Many regulators compete with the private sector for staff, which makes it difficult when the private sector has the ability to pay more in remuneration. As regulators, it's important to think about what non-pay incentives can be provided. These include flexible and remote working, staff awards, conferences, 'shadow the leader' programs, professional development and mentoring. However, these incentives may only be attractive to some staff.
- Listening to your staff about what they say they need is vital to promoting a workplace culture where staff want to work. High-levels of flexibility and good pastoral care are two areas of high-staff expectation. Increased flexibility, including remote working and working from home arrangements are useful attraction and retention tools.

#10 Your purpose and legacy

Being a Head of Regulator is a privilege that allows you to positively impact on the lives of the Australian community.

Final tips

- It's a privilege to be in the position of Head of Regulator. It's a worthwhile, meaningful role, where your role brings you in touch with members of the Australian community. In this position, you have the opportunity to impact on people's lives across Australia. It's important not to lose sight of this fact.
- It's also useful to consider early on what you want to leave as your legacy in this role as Head of Regulator. Keep reviewing this matter as your goal will, somehow, tell you when it's the right time to leave the role.
- I wish I'd considered more how I was going to 'put a stamp' on the agency, while avoiding initiating change for the sake of it, in what is often an already evolving environment.



Consider early on what you want to leave as your legacy.