

Submission to Advisory Group on Reform of Australian Government Administration

29 November 2009

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The analysis of current challenges, and the questions for invited comment, as canvassed in the Discussion Paper of October 2009, are indeed weighty and serious matters. It is refreshing that these issues are being tabled in an open manner, and I am encouraged by the spirit of inquiry and the desire for improvement. The comments below are very brief and address only a few of the issues.

Some of the most interesting challenges arise in relation to how a robust international ranking metric can be established on such matters. It would require carefully chosen criteria, and very reliable data, in order to assess and rank disparate national governments in terms of their performance and capability across a range of governance and service measures. Comparative information on many issues and processes has been gathered for decades, but in more recent years this has moved to include perceptions data on such issues as integrity and trust. I believe that a lot more work is needed before all the necessary criteria and data become available. But equally, such exercises deserve to be commissioned because the learning process is greatly advanced for all concerned. This is itself an example of learning-by-doing and learning through dialogue, and this is to be applauded.

I will confine these brief remarks to three other important and closely linked issues – learning; collaboration; and evidence-based policy. These in turn are closely related to issues of innovation and risk-management, and the development of effective long-term policy.

In relation to organizational learning, the current discussion paper (as with the August 2009 discussion paper on Public Sector Innovation) correctly points out that there are substantial constraints on the capacity of governmental administration to ‘learn’ in a spirit of inquiry and improvement. The bulk of the incentive systems are directed towards the efficient administration and monitoring of existing programs. Failure is either glossed over, or buried, in a defensive organizational culture. Some of these constraints are politically driven, and can only be changed substantially if political leaders operate in a more open manner, on both sides of politics. This is unlikely in a political system built on maximizing adversarial advantage.

Given that the political system will continue to operate against bipartisanship and consensus-formation on key issues, the next level of solution is for departmental senior managers to obtain ministerial permission and encouragement to take a more open approach to policy development and program evaluation with a high degree of client/stakeholder inclusion. This requires ministerial protection because it is potentially risky, and because the minister might be held responsible for untidy or unwelcome outcomes. Since this broader approach is needed across all portfolio areas for the quality of government administration, it could be a subject for central facilitation rather than left solely to individual initiative. Some of the structural ideas about policy hubs and think-tanks on a few key topics may assist, but the problem is arguably wider.

Some of the constraints on innovation, risk-taking and openness are structural features of the modern environment, such as the 24/7 media cycle and the regrettable tensions that inevitably arise between the immediacy of issues-management and the need for long-term policy development (Borthwick 2009). Good-faith negotiations and engagement with clients/stakeholders can be undermined (Head 2007) by the pressures for day-to-day clarity in the government’s position on complex topics. Again, given that the media scrutiny and partisan commentary are part of our democratic system, the challenge is to establish processes that nurture and protect long-term thinking alongside the everyday turmoil.

There is much to be said for new structural options such as policy hubs and think-tanks, where experienced executives could go ‘off-line’ for an extended period (say 6-18 months) to make major contributions to medium and long-term analysis (perhaps with several options including a long-term taskforce model). This supportive organizational environment needs to include secondments from other sectors – of government, research, business and NGOs as appropriate. Such arrangements would complement the specialist roles of existing agencies which gather and interpret large sets of data (e.g. Aust Institute of Health & Welfare; and the ABS); and the specialist roles of government research and policy-inquiry agencies (e.g. Productivity Commission) which are regularly requested to address medium and long-term issues at arm’s length from government.

The discussion paper suggests that collaborative approaches need to be used more often and more effectively to address complex problems. This observation is correct. However, the recent research literature (e.g. Head 2008b, Weber & Khadmenian 2008) demonstrates that the specific forms of collaboration need to be designed to ‘fit’ the specific challenges embedded in different policy or program contexts. This insight is not inconsistent with the report of the MAC on Connecting Government (2004). What has shifted in the succeeding years, however, is the recognition that governments are trying to tackle a wider range of complex problems, and that ‘learning’ from experience on these matters is of critical importance. If we want better collaboration, we also have to change the incentive systems to recognize and reward it more carefully (Bogdanor 2005).

This is also why evaluation should be a central aspect of evidence-based policy (Head 2009). Evidence-based policy requires four elements for success: political encouragement, very good data, a sufficient number of staff with policy analysis skills, and an ongoing government commitment to well-funded evaluations. These factors also need to interact with client/stakeholder consultation. My observation is that we now have growing political support, and we have solid data collection capability by specialized agencies with active plans for adjusting the focus over time. There is room for substantial improvement in regard to the breadth and depth of policy-analysis and development skills. Most seriously, there are too few examples of thorough program and policy

evaluation and too few examples of long-term investment in longitudinal research (recent noble exceptions include the HILDA panel study and the LSAC panel study).

Program evaluation has been squeezed by lack of funding, displaced by routine performance management systems, and supplanted by external audits through the ANAO. Program evaluation is important. It can be undertaken in new ways for cost-effectiveness. One method is to undertake cluster reviews, or strategic reviews of major groups of similar programs. If done constructively, this can be a learning exercise as well as a cost-cutting or blaming exercise.

References

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