



CONNECTING
GOVERNMENT

Whole of Government Responses
to Australia's Priority Challenges

SUMMARY OF FINDINGS

MANAGEMENT
ADVISORY
COMMITTEE

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PREFACE

I am pleased to present this important Management Advisory Committee Report on *Connecting Government: Whole of Government Responses to Australia's Priority Challenges*.

My strong perception is that the Australian Public Service (APS) performs well, compared to other public sectors around the world, in working across the organisational boundaries of bureaucracy. Every day, in many ways, we bridge successfully the demarcations of officialdom that can undermine successful policy development and delivery. But we cannot be lulled into a self-satisfied complacency. Challenges remain. More than ever before, agencies must continue to find new and better ways to work together to deliver results for the Australian Government and the community.

There are many reasons that we should work in a whole of government way. Not least is the fact that every major challenge of public administration—ensuring security, building a strong economy, coping with demographic change and crafting social policy—necessarily requires the active participation of a range of central and line agencies.

Australians rightly demand the delivery of government programs and services in a seamless way. They should also expect that, behind the scenes, all the resources of government will be brought to bear in the search for innovative solutions to the complex challenges of developing public policy.

It is important that commitment to a whole of government perspective is not misinterpreted as a call for 'group think'. Governance has been improved by the fact that public policy is an increasingly contested terrain. The challenge is to ensure that the collective decision-making of the Australian government is based upon the best informed articulation of the challenges faced and a strategic assessment of the relative merits of different approaches to how they might be addressed. For this, a comprehensive whole of government approach is required.

Connecting Government goes beneath the surface of the 'coordination' that the APS strives to achieve. It examines the many different and sometimes competing imperatives that contribute to successful whole of government work and seeks to learn from our successes and failures.

The report does not believe that effective solutions lie in moving around the deckchairs of bureaucratic endeavour. Rather it reinforces the need to continue to build an APS culture that supports, models, understands and aspires to whole of government solutions. Collegiality at the most senior levels of the service is a key part of this culture.

Portfolio secretaries and agency heads will be responsible for driving cooperative behaviours and monitoring the success of whole of government approaches. This has many elements. They will be required to ensure that their staff understand that their role on interdepartmental committees or task forces is not to defend territory but to seek solutions in the national interest. They will be expected actively to champion whole of government projects and to model critical behaviours such as collegiality.

The report also highlights the need for agencies to recruit and develop people with the right skills. Relevant topics should be included in induction and training so that coordination, cooperation, negotiation and openness are truly valued. Agencies will be encouraged to give their high performing staff experience on whole of government projects and to support their participation with other agencies in such projects.

Commitment needs to be recognised. New service-wide awards will be offered to celebrate the best whole of government work. The success or failure of the APS in taking whole of government approaches will be reported through the State of the Service report.

Knowledge is a key to cultural change. A web presence will be established to encourage agencies to share information, expertise and ideas so that the increasing volume of research on the organisation of whole of government approaches can be collected once but used many times.

MAC will fail if its reports are quietly filed away under the heading 'Read on a Wet Sunday'. There are many more initiatives in this report which offer practical help to Australian government agencies in their efforts to continually improve the way they work across boundaries. The objective is to implement many more.

Whole of government is the public administration of the future. It offers links and connections to the global community of ideas, knowledge and understanding essential for the APS to face the governance challenges of the 21st century. It extols team-based approaches to solving the wicked problems that are endemic to public policy.

Connecting Government: Whole of Government Responses to Australia's Priority Challenges is a valuable guide to participating effectively in that future.

I hope it makes a difference.



Dr Peter Shergold AM



INTRODUCTION

This document draws together findings contained in the Management Advisory Committee (MAC) report, *Connecting Government: Whole of Government Responses to Australia's Priority Challenges*.

The *Connecting Government* report was commissioned by MAC in April 2003 to respond to the growing demand for the APS to work together on issues that cross traditional agency boundaries. The report offers an in-depth look at critical aspects of successful whole of government work, reviews national and international literature on the subject and provides instructive case studies of previous whole of government projects.

As is clear from the report, whole of government work—and success—is not new to the APS.

However, the pressures driving demand for this approach are increasing—they include globalisation, security threats, technology, the pace of social and economic change, the need for increased productivity, increasing community expectations and challenging social issues.

It is therefore increasingly likely that longer term public servants at middle management and higher levels will be required to work in a whole of government environment at some time during their career. Understanding this environment is the first step to doing so successfully.

The *Summary of Findings* is a valuable starting point for these endeavours. It draws together findings from the seven chapters of the full report to provide an overview of whole of government work. It can be used as a tool to guide agencies in developing work plans for whole of government projects, new policies, joint initiatives, external consultations and associated work.

The *Summary of Findings* addresses issues around: use of different structures and processes to assess and manage different forms of whole of government; creating a successful whole of government culture; managing critical information and infrastructure issues; working across agency boundaries with current budget and accounting frameworks; managing increasingly sophisticated demands for engagement with people outside the APS and responding effectively to crises.

THE WHOLE OF GOVERNMENT CHALLENGE

The report has defined ‘whole of government’ in the APS as:

Whole of government denotes public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery.

APS agencies should review their work in light of this definition to assess the potential impact of this report on their work.

There are many imperatives which make being successful at whole of government work increasingly important. These include pressures on the APS to offer sophisticated whole of government policy advice which comprehends a range of stakeholders’ views, and to respond to complex policy challenges such as environmental or rural issues. There are pressures to join up program management, including security threats and intractable social issues such as drug dependence. There are rising community expectations for easier access to government by integrating service delivery.

Agencies should review the impact of these imperatives on their work, including taking a long-term view of possible scenarios.

Whole of government approaches to Australian government work are a relative strength for Australia and are not new. The increasing pressures on the APS demands that its history in whole of government work is understood to ensure it is not necessary to ‘reinvent the wheel’, yet work practices are continually improved.

Agencies should take a whole of government approach when there are clear benefits. Leadership from ministers and agency heads is a critical part of whole of government work. The report offers a checklist of issues to consider, which agencies should adopt as routine practice.

Agencies should consider carefully the following challenges when approaching a whole of government task: developing a supportive culture and skills base; instituting appropriate governance, budget and accountability frameworks; maximising information and communications infrastructure; improving government’s engagement with individuals and communities; and building the capacity to respond quickly and effectively to emerging issues and future crises.

STRUCTURES AND PROCESSES

The Cabinet, under the prime minister's leadership, is the principal coordination forum of the executive arm of the Australian Government, but most day-to-day decisions are made by ministers and the agencies that comprise their portfolios. This is efficient. It allows specialisation and reduces the load placed on the prime minister and the Cabinet process so that they can focus on the key strategic issues. It does, however, mean special thought has to be given to the handling of problems that cross portfolio boundaries.

The Department of the Prime Minister and Cabinet (PM&C), through the Cabinet Implementation Unit (CIU), should be the central point in government for spreading advice on best practice in whole of government work and for reporting on successes and failures. It will provide support to whole of government work through a web presence devoted to practical guidance to departments.

Portfolio secretaries take responsibility for monitoring whole of government work across the APS. Their regular meetings should be enhanced by receiving regular feedback from the CIU on progress on multi-agency initiatives, and by canvassing whole of government issues or initiatives. This provides an opportunity for ensuring that all the appropriate parties are engaged.

This report also recommends that major whole of government issues continue to be discussed at annual high-level retreats for secretaries and agency heads. These provide an opportunity to discuss in-depth one or more of the most complex issues facing Australia and how the APS is responding to support the government in addressing the issues.

Experience has shown that secretaries are often able to resolve the way forward on difficult whole of government issues more quickly and effectively than lower-level committees. By modelling good practices in interdepartmental collaboration, secretaries can provide a development opportunity for APS employees. Within the limits of practicality and security, opportunities for APS employees to observe secretary-level committees in action should be provided.

There is a need for careful choice of the appropriate structures to support whole of government work—for example, well run interdepartmental committees (IDCs) are very effective in coordination, including crisis management, and in producing policy options. Their representative nature and consensus approach to decision making can make them less useful for dealing with difficult policy issues where there is deep contention between portfolios, or in the community, and tight time limits. Dedicated taskforces under strong leadership and working directly to the prime minister, a senior minister or a committee of Cabinet have proved to be more likely to produce high-quality outcomes in these circumstances.

A number of options are available to deliver integrated programs or services to a region or individuals, or in support of a range of government objectives. These include joint teams, agency arrangements and the ‘one-stop shop’ now provided by Centrelink across a range of income support and related services. Increasingly, information technology will facilitate the provision of ‘virtual’ one-stop shop services to business and individuals. Choosing the appropriate model will reflect the timeframe over which the services are to be delivered, the policy roles of the principal partners, the scale of the task and whether it can be delivered at a marginal cost by an existing agency. The right governance and accountability arrangements are critical to good outcomes.

The amendments to the Public Service Act in 1999, and earlier to the Financial Management and Accountability Act, have allowed the creation of new agencies, working to ministers, to carry out functions not suitable for a single department. Some of the new ‘frontier’ agencies, such as the Australian Greenhouse Office, the National Oceans Office and the Australian Government Information Management Office, have an important whole of government role. They are operating in fields that are in important ways new and potentially controversial. Once more, governance, accountability and stakeholder management arrangements are very important.

Good practice in terms of structures and processes should be highlighted in the State of the Service report, and maintained as part of the proposed whole of government web presence.

However, whole of government work is not just about structures. It is as much about the way things are done. Successful outcomes depend on power sharing, thinking outside the box and solving practical problems of information management and infrastructure, staffing, budget and accountability, and stakeholder relationships. These issues are addressed in the following chapters.

CULTURE AND CAPABILITY

Culture and capability critically shape the success of whole of government activities. Where issues dealt with by APS agencies transcend traditional boundaries, a horizontal overlay is required which:

- ensures a focus on the bigger picture within the context of the government’s overall policy agenda and priorities
- encourages an orientation to collaboration rather than a silo mentality
- ensures informed decision making—taking account of different perspectives and providing a strong basis for collaboration.

This overlay has particular implications for secretaries and agency heads, senior executive service (SES) employees and for departments and agencies.

Portfolio secretaries have a key role in influencing behaviour and attitudes of the APS towards collaboration across organisational boundaries. Secretaries and agency heads should provide consistent leadership and model best practice collegiate behaviour. This includes promoting better practice working models, such as the Good Practice Guides developed as part of this report.

As part of the statutory responsibilities of the SES ‘to promote cooperation with other agencies’¹ and to promote (as well as uphold) the APS Values, SES leaders are expected to give explicit and consistent support for collegiate and horizontal approaches both within their agencies and across the service as a whole, complementing their line responsibilities. They are also expected to participate in cross-portfolio training activities and relevant APS-wide development projects.

A portion of the core business of every department and agency includes working across portfolio boundaries. It is critically important, therefore, to provide practical support to those involved in whole of government initiatives. In particular, departments and agencies should support whole of government activities by:

- developing systems and procedures to support authorisation for appropriate local decision making; capability development focusing on constructive working relationships with other APS agencies and external organisations; and accountability arrangements
- taking steps to become more responsive to whole of government demands, including through:
 - more intensive training for those directly involved in whole of government projects
 - learning opportunities for middle and senior managers in skills relevant to whole of government activities, including project management, communications and relationship management
 - networking to broaden the exposure of APS employees to different organisational cultures and ways of working
 - access to better practice guidance and to assistance with team building and conflict resolution
 - the adoption of reward and recognition arrangements for whole of government achievements.

¹ Australian Public Service Act 1999, section 35 (2)(b)

Whole of government perspectives should be reflected in induction into the APS and integrated into relevant service-wide and agency learning and leadership development programs.

The Australian Public Service Commission, in conjunction with the Cabinet Implementation Unit, could make available a panel of consultants to provide whole of government coaching and support in issues such as team building and conflict resolution.

A new category could be added to the Prime Minister's Award for Public Sector Excellence to recognise excellence in whole of government endeavour.

INFORMATION MANAGEMENT AND INFRASTRUCTURE

Working more successfully across Australian government agencies, other jurisdictions and the private sector relies on better information sharing and requires structured approaches to the collection, reuse and sharing of data and information.

The pressures to share information across agencies are increasing. Approaches proposed in this report are flexible enough to provide frameworks that allow agencies to move to better information sharing practices in line with their own business requirements.

Improving agencies' capability to transfer and exchange information is critical and will require improved interoperability between agencies' information systems. In the longer term it will require agencies to adopt and implement common information policies, standards and protocols. Potential common frameworks, policies and standards will need to be flexible enough to respond to agencies' varying business requirements.

This will ensure agencies are 'integration ready' should the need arise for agencies to commit to a single common infrastructure. However, improvements can be made not just by joining services and information together but by redesigning and reengineering systems to deliver both better-quality and more efficient services.

Increasingly, agencies are identifying a need to work in clusters to achieve common and interrelated objectives. These clusters form and change over time as outcomes are achieved and environments change. Operating in a cluster or shared environment introduces an imperative for agencies to work towards optimising the outcome for all rather than for any one agency. Achieving this balance is not easy. Agency heads and senior executives can actively ensure that such approaches achieve the best outcomes, not the easiest agreed outcomes.

Better business modelling, investment tools and governance structures are also required to guide agency decision making. The government recognised this need when it established the Information Management Strategy Committee (IMSC) to take a lead role in

coordinating information management and information technology activities across government.

The IMSC's mandate could be expanded to include specific information and knowledge management guidance to agencies. This guidance could include general and technical principles, protocols and standards, and sponsoring joint activities that support effective information management across government.

There are some basic best practice approaches agencies can adopt. In particular, agencies should identify information management needs early in the development of project plans, review training programs to ensure adequate coverage of information management and, where appropriate, establish structures (such as information clusters) to further information-sharing objectives.

Where there is common policy approach, processes and clients, agencies should consider forming clusters to manage information sharing. For example, agencies within clusters could work together to identify the business imperatives to share statistical, physical (locational), biophysical and economic data. They could structure their information requirements around the principles of 'create once, use many times', and best value for government, for business and individuals.

Priority should be given to information clusters on social indicators (health, welfare, education etc.); economic indicators (industry, trade etc.) and environmental indicators (agriculture, climate, environment etc.). This is a sound starting point as it reflects a 'triple bottom line' approach.

BUDGET AND ACCOUNTABILITY FRAMEWORK

The budget process provides the opportunity to identify cross-portfolio priorities and establish how they are to be considered. Ministers should be assisted by the APS to determine the most suitable form of appropriation; governance (decision making) structures; information-sharing arrangements; accounting procedures; reporting mechanisms; and timing and evaluation requirements.

The existing outcomes and outputs budget framework has the flexibility to provide appropriate budget and accountability arrangements for whole of government projects. The key to maximising the flexibilities within the framework is early consideration of budget and accountability arrangements. Early consideration is essential to the proper planning, resourcing and management of whole of government priorities.

Financial disciplines which are very useful for prioritising within portfolio proposals, such as requiring fully offsetting savings, may be counterproductive for cross-portfolio priorities. Other approaches may therefore be required to setting expenditure caps and finding necessary resources.

The Department of Finance and Administration should continue to provide advice to agencies on appropriation, governance and reporting structures and should be consulted at an early stage in the development of major cross-portfolio initiatives.

The Department of Finance and Administration should encourage and facilitate the exchange of financial information between Australian government agencies to:

- develop and maintain standard templates for financial management information systems and budgetary model specifications, with the assistance of a reference group of chief finance officers
- facilitate the development of best practice principles to assist all agencies to better leverage work in this area by lead agencies.

MAKING CONNECTIONS OUTSIDE THE APS

A sound whole of government approach requires understanding of how programs and policies come together to affect particular communities, social groups, sectors of the economy and/or regions. This can be greatly helped by creating a role for the relevant interest groups in policy formulation or implementing programs. Most whole of government priorities require close cooperation with external groups such as community organisations, businesses and other jurisdictions. Moreover, understanding the different perspectives of external groups is essential to the government's desire to see policies and programs make a constructive contribution 'on the ground', as well as in managing the risks associated with new initiatives.

The APS has a significant role in making these connections work. While there will always be strong external links at the political level—ministers, members of parliament, ministerial staff—the APS also needs to foster and maintain close linkages to meet its responsibilities for comprehensive policy advising, and for effective implementation of government policies and programs.

The very nature of Australia's participatory democracy means that managing such interaction is a two-way exercise which requires the APS to have increasingly sophisticated professional skills and techniques. Government and the public expect external groups to contribute to the policy decision-making process itself and to the planning for implementation, in addition to being kept informed of decisions and actions and the reasons for them.

In the case of whole of government work, the issues involved are frequently complex and there are often different perspectives and interests among the external players involved. The APS capabilities required are therefore demanding, and include:

- identifying the widest possible range of views, representing those views in advice to government fairly, but also analysing those views and presenting

recommendations to government for decisions—this requires high-level interpersonal and analytical skills

- communicating and consulting with the public skilfully to assist with informed decision making and to ensure effective program delivery
- in the case of coordinated community service delivery, having available ‘clout on the ground’—employees with sufficient experience, skills and authority to interact with local communities and individuals and to take the necessary decisions on behalf of the agencies involved.

It is not always appropriate or possible to consult, and the timing and style of engagement needs to be considered carefully:

- The importance of seeking external views needs to be balanced against constraints, such as the need for confidentiality of Cabinet deliberations.
- The appropriate mix of top-down and bottom-up consultation will vary with the nature of the whole of government task.
- A strong imperative to act on an issue, even where there is disagreement among interest groups, will assist a project, but a high degree of complexity may erode goodwill. These factors will also affect the appropriate style of engagement that should look to maximise commitment and minimise complexity.

Many whole of government priorities inevitably cross jurisdictional boundaries. Ensuring ongoing capacity to respond to emerging priorities that may cross jurisdictional boundaries requires continued close understanding of the policies and programs most likely to interact.

Formal funding relationships may also feature in whole of government work. The nature of such relationships (e.g. whether a tender process is undertaken or groups are invited to participate) should be tailored to the task at hand rather than a ‘one size fits all’ approach applied. Value for money and accountability will guide these decisions.

MANAGING CRISES AND THEIR CONSEQUENCES

Australian experience in crisis management provides useful pointers for broader whole of government work.

Crisis demand fast and effective whole of government responses—it is important to establish political will and authority early to drive this response. Clear understanding of the role and responsibility of all of those involved in the response is also critical.

Ironically, a crisis environment supports effective whole of government coordination. Disputes about mandate are set aside, decision making is accelerated by the ongoing

involvement of senior agency leaders, and political will drives policy formulation and implementation.

Effective policy responses during crises can be assisted by the use of existing rules and liaison points and traditional chains of command. A ‘hub and spokes’ model can be valuable in coordinating interagency response to different aspects of a crisis.

A focus on rigorous policy implementation is important in driving the dynamic from crisis to recovery. At the same time, strategic use of partnerships outside government can also be valuable.

Effective and integrated public affairs management is critical during crises.

An independent person who can speak authoritatively on technical or scientific issues can be valuable in restoring or developing public confidence. Protocols should be developed to guide decisions about when departmental employees, rather than ministers, should lead public communications.

Even though whole of government crises are often unpredictable, agencies can increase their expertise by planning in advance. Agencies should work together in an everyday business environment to continue to learn about crisis management, test their internal arrangements and maintain consultative links with the community. Information and expertise can be shared through publication of papers and journal articles, attendance at conferences and use of web pages. Opportunities for joint training to improve agencies’ ability to work together should be sought.

It is important that crisis management protocols and practices keep pace with changes in the nature of potential threats, environment, technology and political imperatives.

These are just interim lessons. The Australian Government is likely to find itself responding to new and different crises which will provide further lessons about a whole of government approach. Nevertheless, the key lesson remains enduring: learn from the last crisis in planning for the next one.