



CONNECTING
GOVERNMENT

Whole of Government Responses
to Australia's Priority Challenges

MANAGEMENT
ADVISORY
COMMITTEE

4

© Commonwealth of Australia 2004

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from the Department of Communications, Information Technology and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Intellectual Property Branch, Department of Communications, Information Technology and the Arts, GPO Box 2154, Canberra ACT 2601 or posted at <http://www.dcita.gov.au/cca> .

ISBN 0 97510151X

>> 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 or 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.

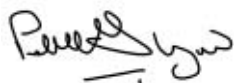
Knowledge is a key to cultural change. A web presence will be established to encourage agencies to share information, expertise and ideas so that the increasing volume of research on the organisation of whole of government approaches can be collected once but used many times.

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.

A handwritten signature in black ink, appearing to read 'Peter Shergold', with a horizontal line underneath.

Dr Peter Shergold AM

AUSTRALIANS WORKING TOGETHER

Objective

In September 1999 the Minister for Family and Community Services announced that welfare reform was to be a major reform priority for the Howard government. A high-level reference group was formed to have direct input into the development of new policy. Reference group members were drawn from the community sector, business, academia and government. The group was chaired by Mr Patrick McClure, Chief Executive Officer (CEO), Mission Australia.

The government's welfare reform policy proposals were developed by an interdepartmental taskforce which was chaired and supported by a secretariat based in the Department of the Prime Minister and Cabinet.

The final package of measures was announced as Australians Working Together (AWT) in the May 2001 Budget. The package focused on helping people to get jobs or become more actively engaged in the community through a balance of targeted assistance, incentives and mutual obligation requirements. A wide range of measures was to be implemented through the following departments and agencies:

- Department of Family and Community Services (FaCS)
- Department of Employment and Workplace Relations (DEWR)
- Department of Education, Science and Training (DEST)
- Aboriginal and Torres Strait Islander Commission (ATSIC)—
now Aboriginal and Torres Strait Islander Services (ATSIS)
- Centrelink.

Policy and service delivery complexities meant that governance and coordination of the AWT package was necessarily multi-layered. Peak community organisations, academia and the private sector were included in consultative mechanisms used to develop the measures, as well as key government agencies. Key stakeholders included: the Welfare Reform Reference Group (which included the Deputy Secretary of FaCS); the Welfare Reform Consultative Forum (which included two Australian government ministers and selected non-government stakeholders); the FaCS Departmental Steering Committee (which included FaCS Deputy Secretary, executive directors and program branch heads) and the Centrelink AWT Implementation Reference Group (which included peak community and business organisations).

A number of other consultative and supporting reference group processes covered specific interests.

This case study reviews whole of government issues involved in work carried out from Stage 1 beginning in late September 2002 to mid-2003.

Overview of learnings

AWT built strategically on other countries' experiences in welfare reform (e.g. the UK New Deal program; reform of income support programs in the US, Sweden and the Netherlands) to address policy and social priorities important for Australia.

AWT was a complex policy and program development and service delivery exercise involving a wide range of external stakeholders. All had high expectations about the level of influence they would be able to exert over the final form of the package. It was important to manage these expectations carefully, share information and provide feedback over an extended period of time.

External stakeholders, such as the Welfare Reform Consultative Forum members, were crucial in shaping the balance in the measures announced in the Budget. They provided valuable advice on how measures could best be developed and also played a vital role in considering elements of the package before they were finalised.

Role clarity of all government agencies and organisations involved was essential at the policy, program and delivery levels, especially when people were working together for the first time or in a new way. This highlighted the need to be explicit about roles/responsibilities rather than assuming people knew and understood not only their own roles but the roles of other participants.

Submissions for funding can be complex when more than one agency is involved. It is important to get expert assistance—for example, from specialists in the Department of Finance and Administration (Finance) to ensure all issues are addressed.

Differences in agency cultures can threaten whole of government work. They need to be taken seriously and addressed quickly and decisively using a range of methods.

Lack of continuity of representation can be a significant issue in complex, long-running whole of government processes. The need to constantly bring new members up to speed can cause critical disruptions and delays and should be minimised.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	<p>The role of the lead or central agency.</p>	<p>The role of the Department of the Prime Minister and Cabinet (PM&C) as a central coordinating agency was to bring together a whole of government approach to the policy development process. Ongoing responsibility was then managed by relevant policy agencies.</p>	<p>The role of the central or lead agency is an important one: it needs to be clearly articulated, regularly reviewed and altered, if necessary, as the initiative develops.</p> <p>Effective and authoritative brokering of cross-portfolio strategies by a lead or central agency is critical to success. This should be complemented by a clear understanding of the responsibilities of other participating agencies.</p>
2	<p>The complex multi-agency nature of tasks involved required careful management of a wide range of issues.</p>	<p>Key agency-based whole of government management mechanisms included:</p> <ul style="list-style-type: none"> • FaCS/Centrelink Steering Committee— (Deputy Secretary/Deputy CEO level): used to monitor milestones and for high-level policy resolution • DEWR/Centrelink Steering Committee— (National Manager/Assistant Secretary levels: focus as above • DEWR/FaCS/Centrelink interdepartmental committee (Assistant Secretary and program manager levels): used for operational joint reporting • FaCS/Centrelink Working Party: cross-program and cross-measure dependencies • AWT Evaluation Steering Committee: FaCS/DEWR coordinating group, involving PM&C, Treasury, Finance, DEST, ATSIC and Centrelink to support evaluation processes. 	<p>A project the size and complexity of AWT benefited from an integrated rather than a silo-based approach.</p> <p>Communication and relationship management need regular attention and effort.</p> <p>Multiple levels of managers needed to be actively engaged and managed to assist in the coordination process.</p>

1. Structures and processes (continued)

	Issues	Response	Key learnings
3	Continuity of representation.	New members caused delays as familiarisation was required.	Agree on continuity of representation at the outset. Put in place agreed procedures when new members attend meetings.
4	Level of representation.	Differences in seniority of representation can cause a lack of clarity around roles, responsibilities and authority.	Level of representation should not be the key focus, but the capacity of the representative to participate constructively in meetings. Consider introducing mechanisms for feedback on representation at meetings so issues can be resolved quickly.
5	Numbers of attendees at meetings.	Bilateral discussions were held to break work into more manageable pieces. Working groups were used to get faster results.	Consider carefully the size of teams—larger teams can be unwieldy and unfocused. Working groups can ensure a core of the right people are at the table—others can be brought in as needed.
6	Clarity from the outset about agency roles and responsibilities and aims and objectives of the taskforce.	A memorandum of understanding was used to define these in some instances, although this was not always observed. Where confusion around roles and responsibilities continued, PM&C was asked to resolve any issues.	Early and open discussion with all agencies is essential in achieving a document that clearly sets out the responsibilities, aims and objectives of the taskforce. This should include explicit exploration of agencies' different agendas and expectations. The role of the 'lead' agency in taskforce type structures is especially important to debate, clarify and agree the final make-up of responsibilities. Consider the value of including all agencies in the initial role setting meeting, even if they may only be required at a later stage of the project—this can help avoid misunderstandings down the track.

2. Culture and capability

	Issues	Response	Key learnings
1	Issues created by co-location of Taskforce Secretariat members from different agencies in a single office at PM&C.	<p>Co-location had advantages and disadvantages. It offered the advantage of having a team working in close proximity able to produce outcomes quickly, together with good access to high-level decision makers.</p> <p>However, it also meant that employees were less closely connected with their home agencies. It also tended to isolate them from colleagues with responsibility for implementing new policy/programs.</p>	<p>Co-location can work better with small teams than with larger teams.</p> <p>A concerted focus on team building may be needed.</p> <p>Consider allowing teams made up of members of different agencies to remain in their home agencies rather than locating them together.</p> <p>Use regular (but not too frequent) meetings and other approaches to build links.</p>
2	Managing people on taskforces with diverse views and approaches derived from different organisational cultures.	<p>Preparedness to participate in open and frank discussions about the difference in culture between agencies.</p>	<p>Acknowledge, explore and address cultural differences openly at the outset.</p> <p>Consider the use of a professional facilitator or similar, if appropriate.</p> <p>People with flexible, multi-dimensional skills are required on taskforces—those who can understand and manage complex issues and also distil a common goal without losing sight of broader objectives.</p> <p>Provide training and development around working in a non-standard environment such as a whole of government team.</p> <p>Direction from the top is needed to ensure there is a basis for a common understanding.</p>

3. Information management and infrastructure

	Issues	Response	Key learnings
1	Secure communication between agencies was hindered by different levels of security for email and fax.	A variety of communication methods were employed.	Ensure useability of high-level communication security requirements. Have work-arounds in place, if possible. Ensure communication and record keeping protocols are understood and agreed.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	<p>Strong governance arrangements across FaCS, DEWR and Centrelink were essential to ensure policy was delivered effectively.</p>	<p>Processes were established to align with the broader business partnership agreements in place between client departments and Centrelink. These included:</p> <ul style="list-style-type: none"> • with FaCS, a business assurance framework for implementation, setting out key deliverables and sign-off points • with DEWR, a relationship framework providing the context within which a business requirement statement was developed setting out process and system design requirements and sign-off points. 	<p>Establishing roles and responsibilities for each participant, and how these complement one another was essential.</p> <p>Formal project management can be a constructive part of quality assurance and risk management processes.</p> <p>The number and structure of committee processes need to be streamlined and kept under review.</p>
2	<p>A strong outcomes focus was embedded in the strategy: evaluation of effectiveness was an integral part of AWT right from the start.</p>	<p>A whole of government approach was taken in designing the AWT Evaluation Strategy:</p> <ul style="list-style-type: none"> • A range of methodologies, including a mix of qualitative and quantitative data sources, was identified. • Evaluation methods included case studies, qualitative research, longitudinal 'before and after' analysis, net impact studies etc. 	<p>Early and joint development of evaluation strategies is essential and constructive in whole of government projects.</p>
3	<p>Complexity of preparing joint funding submissions and attributing costs and savings to the appropriate agency.</p>	<p>The Department of Finance and Administration (Finance) was consulted and provided useful advice.</p>	<p>Expert assistance from specialists, such as in Finance, can help ensure relevant issues are covered off.</p> <p>Check funding models for consistency of approach.</p> <p>Agencies need to be open to cross-portfolio funding arrangements.</p>

5. Making connections outside the APS

	Issues	Response	Key learnings
1	<p>Complex nature of engagement with the community, key stakeholders and eventual 'end users' of new policy.</p>	<p>Approaches to consultation included:</p> <ul style="list-style-type: none"> • 360 written public submissions were received—an internet-based feedback questionnaire was then used for all who had provided submissions • focus groups were conducted with income support recipients • focus groups were conducted with representatives from the community sector, employer and business peak bodies, academia and government • bilateral meetings were held with peak bodies • participants attended conferences and seminars. 	<p>Consultation about new policy proposals can be challenging but is essential to 'getting it right'. A wide range of consultative processes can be used to shape overall policy design and processes.</p>
2	<p>Bringing trusted stakeholders inside the confidentiality of policy development and decision making can greatly assist complex or sensitive policy development processes.</p>	<p>Ministers took a specific decision to bring the Welfare Reform Consultative Forum inside its confidential decision-making processes. The forum added particular value to the policy development process by being able to comment from a stakeholder point of view on detailed proposals as they were developed and also on the strategic balance of the package.</p>	<p>If there is limited time or the issue is too sensitive for a full consultation process on detailed policy development, seek guidance from ministers on whether key stakeholders can be brought inside policy development processes that would normally be confidential.</p>

Sources

Interviews

Centrelink

John Wadeson, General Manager, New Business Solutions

Carolyn Hogg, General Manager, Service Integration Shop

Katrina Edwards, General Manager, Strategic and Business Planning

Michelle Gunasekera, National Manager, Parenting and Working Age Reform

Marcia Williams, National Manager, Community Sector Liaison
and Business Relationships

Mark Wellington, National Manager, Start-up

Department of Family and Community Services

Serena Wilson, Executive Director, Welfare Reform

Bruce Smith, Assistant Secretary, Service Delivery & Assurance

Department of Employment and Workplace Relations

Bruce Whittingham, Branch Manager, Policy Development Branch

Malcolm Cook, Director, Welfare to Work Section

Department of the Prime Minister and Cabinet

Simon Cotterell, Senior Adviser, Work and Family Taskforce

Department of Education, Science and Training

Mylinh Hardham, Branch Manager, Analysis and Equity Branch.