



CONNECTING
GOVERNMENT

Whole of Government Responses
to Australia's Priority Challenges

MANAGEMENT
ADVISORY
COMMITTEE

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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 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.

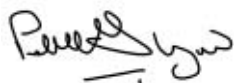
Knowledge is a key to cultural change. A web presence will be established to encourage agencies to share information, expertise and ideas so that the increasing volume of research on the organisation of whole of government approaches can be collected once but used many times.

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.

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

Dr Peter Shergold AM

APPENDIX 2 >> CASE STUDIES

AUSTRALIAN GOVERNMENT NATURAL RESOURCE MANAGEMENT TEAM

Objective

The Australian Government Natural Resource Management (NRM) Team is responsible for the Australian Government's strategy on sustainable use and conservation of land, water, soil and vegetation resources. It is the whole of government 'one voice' of Australian government engagement in natural resource management with stakeholders and clients, and has carriage for delivering the twin objectives of sustainable agricultural production and environmental protection.

The NRM Team was established in 2002 as a joint initiative between the Department of the Environment and Heritage (DEH) and the Department of Agriculture, Fisheries and Forestry (DAFF) to co-deliver two major national NRM programs—the Natural Heritage Trust (NHT) and the National Action Plan for Salinity and Water Quality (NAP). This joint approach to program delivery grew out of recognition of the 'logical fit' between the core objectives of both DAFF and DEH, and the need to provide seamless delivery to the Australian community.

The NHT aims to stimulate activities to achieve the conservation, sustainable use and repair of Australia's natural environment, and has a budget of \$1 billion between 2002 and 2007. The aim of the NAP is to enable Australian communities to prevent, stabilise and reverse trends in dryland salinity and deteriorating water quality in key catchments and regions. The NAP involves a joint commitment from the Australian, state and territory governments of \$1.4 billion between 2000 and 2007. Both programs are based around integrated planning and delivery at a regional community level.

The NRM Team works closely with state natural resource management agencies to support regional communities to develop and implement natural resource management plans.

The NRM Team comprises more than 100 DEH and DAFF employees, working side by side to deliver the two programs. Employees are fully integrated into combined sections within the team and are equally split across the buildings of the two departments. The team delivers NRM programs, but NRM policy issues are still managed by separate areas within the two departments.

The NRM Team works directly to two Australian government ministers, the Minister for the Environment and Heritage and the Minister for Agriculture, Fisheries and Forestry. These ministers co-chair the multi-jurisdictional Natural Resource Management Ministerial Council, comprising federal,

state and territory environment and agriculture ministers. These ministerial links provide a strong mandate for an integrated national approach to natural resource management by the Australian Government in partnership with the states and territories.

Key players

- Department of the Environment and Heritage
- Department of Agriculture, Fisheries and Forestry
- State and territory natural resource management agencies
- Regional natural resource management organisations
- Indigenous organisations
- Non-government natural resource management organisations
- Industry groups
- Local governments

Overview of learnings

The NRM initiative demonstrates the benefit of joint delivery arrangements when there is a logical fit of objectives, despite the logistical complexities it may entail.

In the case of natural resource management, where the issues and activities are so interconnected, the integrated approach adopted by the two departments provided the best means of coordination to move business forward. The consequent joint program delivery approach is resulting in better strategic outcomes.

The NRM Team approach has also demonstrated the advantages of simplifying the face of government to clients when dealing with the same target audiences on related matters. A single Australian government approach to natural resource management has meant a stronger and more influential position with states and other stakeholders.

The effectiveness of the NRM Team in delivering on the Australian Government's natural resource management strategy can be attributed to:

- having clear, joint objectives that are understood and shared at all levels of the team
- a high level of political and APS mandate for integrated outcomes
- a recognition that joint decision-making processes can take longer but deliver decisions with a stronger whole of government mandate.

The 'coming together' of the two departments has presented some significant logistical challenges. A number of key strategies adopted to facilitate this integration have greatly assisted this process:

- establishment of agreed operating protocols, administrative processes and decision-making structures at the outset
- development of a business plan that sets out the roles and relationships of all agency stakeholders
- creation of internal standardised operating protocols to establish seamless IT, financial, program administration, personnel and email systems
- establishment of mechanisms for shared financial decision making, management and responsibility that take into account that each program is appropriated to a single agency.

The NRM Team exercise has highlighted the potential risk of losing some individual departmental priorities or desired outcomes through cross-departmental integration. There is a need to beware of over-collaboration to the point of driving issues to the lowest common denominator for the sake of agreement. In joining up some activities such as program delivery but not others such as policy development, this initiative has revealed the value of retaining the strength of differences rather than trying to join up everything.

Institutionalising cultural change has been successful because of the commitment and support from all levels, particularly from ministers and secretaries. Having a common purpose has helped to override any cultural challenges between departments. Co-location of employees from the two agencies and the subsequent opportunity to interact everyday has been important for strengthening the identity and functionality of the NRM Team.

Perhaps the most profound learning from the NRM Team experience is that APS employees know the whole of government approach is working when their counterparts from the other agency are championing their agency's issues.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	<p>There was an evident need to co-deliver the two large NRM programs—the Natural Heritage Trust (NHT) and the National Action Plan for Salinity and Water Quality (NAP):</p> <ul style="list-style-type: none"> the core NRM objectives of DEH and DAFF—environmental protection and sustainable agriculture—fit logically together both programs incorporate regional delivery of NRM and deal with similar stakeholders the NHT is appropriated to DEH and the NAP is appropriated to DAFF, but both departments are involved in the program delivery. 	<p>Given the links between the NHT and the NAP, a joint team of more than 100 employees from the two departments was established in 2002 to co-deliver the programs.</p> <p>DEH and DAFF employees work side by side within joint sections and are fully integrated within the team and equally split across the buildings of the two departments. DEH employees report to DAFF managers and vice versa.</p> <p>A joint team model was chosen because:</p> <ul style="list-style-type: none"> the NRM objectives of the two departments were closely linked there was a need to share control equally in regard to the two programs with no lead agency the relationship between DEH and DAFF was such that a joint team could be considered. <p>The policy areas of the two departments remain separate to preserve the policy ownership and the beneficial tension that exists in NRM policy development. Policy areas are regularly included in meetings of NRM executive. Protocols for engagement between the policy and program areas are outlined in the NRM Business Plan.</p>	<p>Due to the political desire for more integrated natural resource management delivery and the willingness of senior employees in DEH and DAFF to collaborate, the creation of a joint team was possible. The level of integration could not have been as effective if run through a less integrated model—for example, through an interdepartmental committee process or a more hierarchical model.</p> <p>The team has found that joint delivery does create complexities and administrative difficulties but is a worthwhile investment. Despite any complexities, an integrated approach to the delivery of programs is still more efficient than separate processes.</p> <p>The team has a specific timeframe to deliver the programs—seven years. This helps to keep the project focused and does not provide an indefinite life for the initiative.</p> <p>Joining the program areas of the departments but not the policy areas has maintained the benefits of separate policy development processes. Different values, objectives, constituencies and healthy policy tensions are retained. The risk in this approach is that policy development is separated from program delivery, and that national policies may not be strongly reflected in regional delivery activities. The development of protocols for engagement between policy and program areas is important.</p>

2. Culture and capability

Issues	Response	Key learnings
<p>1</p>	<p>Combining more than 100 employees from two departments created a number of cultural challenges, including:</p> <ul style="list-style-type: none"> the need for employees to consider themselves as part of a truly joined initiative, while at the same time maintaining links to their home departments need for employees to consider and present themselves as Australian government employees rather than DEH or DAFF employees, especially when dealing with clients sections made up of both DEH and DAFF employees, with DEH employees reporting to DAFF managers, and vice versa two different personnel systems, certified agreements, performance reporting, pay scales etc. mean employees in the same section are operating under different conditions. 	<p>Cultural integration has been a specific focus in the development of the team. Leadership from both departments is committed to establishing good working relationships at all levels to make the joint approach work properly.</p> <p>A number of initiatives have been implemented to create the cultural shift to a joint team:</p> <ul style="list-style-type: none"> the team is co-located, helping employees to integrate team-building activities have been conducted—for example, cross-program/agency training and information expo processes have been established (such as approval of leave by employees from the other agency) to simplify management. <p>Institutionalising cultural change has been successful because of the commitment and support from all levels—particularly from ministers and secretaries. Having a common purpose has helped to override any cultural challenges.</p> <p>The importance of effective personal relationships cannot be overstated. The team's efforts at building these is seen as a key factor in the success of the initiative.</p> <p>Development of the team's culture was assisted by cultural change and cross-agency awareness training being included up-front as part of team induction.</p> <p>Some members of the joint team view cultural differences and tensions as more of a perception than a reality, but agree that there is value in addressing the perception.</p> <p>Despite efforts to integrate the team, there are still some cultural differences, especially in interpreting the original intentions of the two programs. Ongoing awareness training is provided to reinforce the core objectives of the team.</p> <p>Working under different conditions is an element that employees have just had to accept and it has been less of an issue than was perceived.</p>
<p>2</p>	<p>Working in a whole of government team can be demanding for employees. There can be:</p> <ul style="list-style-type: none"> reduced ownership of issues greater complexity and uncertainty greater time pressures. 	<p>The team has actively recruited people who are suited to whole of government work. They have focused on employing people who:</p> <ul style="list-style-type: none"> have good communication skills work well in teams are able to deal with uncertainty and fluctuating situations respond well to pressure. <p>Not everyone can work easily in a joint environment—there is a need for people who are flexible and accept diversity, and can cope with constant change, confusion and ambiguity.</p> <p>The incentive for working in such an environment is that the task itself is attractive—providing career development and recognition.</p>

3. Information management and infrastructure

	Issues	Response	Key learnings
1	<p>Many of the IT systems of DEH and DAFF were incompatible at commencement of the joint team—for example, finance, personnel and email systems. This created difficulties for program managers, who had to overcome the administrative problems of developing a joint team at the same time as delivering on their program responsibilities.</p>	<p>These systems have been gradually aligned. The process has been slow but many of the initial barriers have been overcome. Secretaries of both departments are committed to development of an integrated financial management system.</p>	<p>Support from the secretaries of both departments has been vital in driving this alignment of systems. High-level support proved that all technical barriers can be overcome. It is beneficial to establish uniform, seamless IT, finance, personnel and email systems up-front, and to factor in the costs of IT infrastructure support to the cost of the whole program. (This would not have been practically possible in this case, however, given the timing imperatives to create the joint team.)</p>
2	<p>Common knowledge management systems are needed to facilitate efficient program delivery.</p>	<p>These systems were not in place at commencement of the team but have slowly been developed on an issue-by-issue basis.</p>	<p>Program delivery would be easier if seamless data systems were established up-front to facilitate common knowledge management.</p>

4. Budget and accountability framework

	Issues	Response	Key learnings
1	<p>The two programs are delivered jointly but are appropriated to different departments—the NHT to DEH and the NAP to DAFF. This creates a situation where:</p> <ul style="list-style-type: none"> • there is a need for reciprocal cross-agency delegations to authorise expenditure • the two programs are run through different financial accounting systems • there is a duplication of administrative processes—for example, reporting to the Senate. 	<p>The secretaries of both departments are committed to aligning systems, particularly the financial systems. Some alignment has occurred but there is still some double handling.</p> <p>Cross-agency delegations have been established, and there are joint financial decision-making structures at departmental and ministerial levels.</p> <p>Accounting for the team is done through a joint governance area, rather than through the separate departmental finance areas.</p>	<p>It is still necessary to have one department ultimately accountable, but both agencies need to be involved.</p> <p>Cross-agency delegation is a simple process and does not have any legal impediments. The key barrier to overcome in relation to delegations is a cultural one—resistance to delegating to employees from another department.</p> <p>It would have been beneficial to align many of the systems at the outset of the team, rather than in an iterative process.</p> <p>Provision of cross-agency responsibility has the additional benefit of increasing learning and aiding the development of a joint culture.</p>
2	<p>There is a need to balance the tension around the devolution of management decisions to regional communities and the requirement for budget accountability to the Australian Government.</p>	<p>Various accreditation criteria, guidelines, and monitoring and evaluation requirements have been developed such that financial responsibility can be devolved to regional organisations within agreed and approved frameworks and investment strategies.</p>	<p>Ministers are ultimately responsible for financial decisions that are based on agreed approaches.</p> <p>Establishment of guidelines and frameworks within which devolution of management and financial decisions can occur assists in finding the balance between the aim of empowering community stakeholders and maintaining accountability to the Australian Government.</p>

5. Making connections outside the APS.

Issues	Response	Key learnings
1	<p>The community expects a consistent whole of government approach to natural resource management rather than dealing with a multiplicity of agencies.</p>	<p>The development of the joint team has enabled the Australian Government to present one voice to stakeholders on natural resource management issues. Internal differences are resolved within the team and home departments before liaising with clients and the community.</p> <p>A joined-up approach to natural resource management results in a unified, integrated voice of government to clients. Delivery of the NHT and NAP is simplified in a move towards more seamless government. Single processes and structures are set up between the Australian Government and community stakeholders, creating more direct lines of contact and interaction. Employees need to understand the objectives of both DEH and DAFF in order to effectively represent the two organisations. Importantly, the team has found that it is necessary to articulate and sell the rationale for the whole of government approach to all players and stakeholders. This increases understanding of the intentions, desired outcomes and potential benefits of the approach, and thus improves the likelihood of it being embraced and adopted by all relevant stakeholders.</p>
2	<p>The joint team needs to meet the challenge of delivering programs at a regional and community level.</p>	<p>A community-based approach is used to develop, implement and manage both the NHT and NAP at the regional level. Decision making is devolved to regional groups who establish their own targets and priorities. These are set within frameworks agreed through multilateral and bilateral mechanisms.</p> <p>Much of the initial NAP and NHT funding has been directed towards building the capacity of regions to develop and deliver integrated regional natural resource management plans.</p> <p>A network of facilitators and coordinators is also being established to assist in delivering the programs and providing a link between the Australian Government and regional communities.</p> <p>The joint team has found that when setting up processes with a large community focus it is important to consider the impact on the community (e.g. consulting multiple times). Trying to impose a community-based approach when the community is not ready for it also has costs for government. Significant time and resources need to be dedicated to building relationships to ensure that communities are willing and able to engage to the level required.</p>

Sources

Interviews

Interviews were conducted with a range of employees from both the Australian Government Department of the Environment and Heritage and the Australian Government Department of Agriculture, Fisheries and Forestry.