CONNECTING
GOVERNMENT

Whole of Government Responses
to Australia's Priority Challenges

MANAGEMENT
ADVISORY
COMMITTEE

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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.
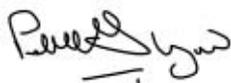
Dr Peter Shergold AM

1 >> THE WHOLE OF GOVERNMENT CHALLENGE

CHAPTER FINDINGS

The report has defined 'whole of government' in the Australian Public Service (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.

CHAPTER SUMMARY

- Making whole of government work better is a key priority for the APS.

- Whole of government work encompasses the design and delivery of policy, programs and services.

- The notion of whole of government is not new. Coordination has been a longstanding feature of Australian public administration.

- The real challenge of whole of government is in the day-to-day realities of trying to work across boundaries to make sure that outcomes are achieved.

- A whole of government approach should not be taken lightly—issues should be examined individually to decide if this is the best approach.

Introduction

> Some of the most challenging policy choices faced by government are those that cross the traditional boundaries between Cabinet ministers' portfolios and between the Australian, State and Territory levels of government… (T)asks that run well beyond the remits of individual ministers…are whole of government problems and their resolution requires a long-term strategic focus, a willingness to develop policy through consultation with the community and a bias towards flexible delivery that meets local needs and conditions. (The Hon. John Howard, MP, Prime Minister, *Strategic Leadership for Australia: Policy Directions in a Complex World*, November 2002.)

Making whole of government approaches work better to meet government's priorities is now a key priority for the APS.

A vital issue for the APS in delivering quality advice, programs and services is ensuring work is effective across organisational boundaries. Making whole of government approaches work better for ministers and government is now a key priority for the APS. There is a need to achieve more effective policy coordination and more timely and effective implementation of government policy decisions, in line with the statutory requirement for the APS to be responsive to the elected government. Ministers and government expect the APS to work across organisational boundaries to develop well informed, comprehensive policy advice and implement government policies in an integrated way.

In addition, the Australian public increasingly expects services to individuals, business and communities to be tailored to their particular needs. They expect government to take full advantage of technology to do business better. There is now more expert and informed scrutiny of government, making the public more quickly aware of any approaches that appear to conflict.

Much is occurring to meet these demands, but more concerted action is needed as the demands of the government—and the Australian public—increase.

This report is about identifying better ways of working across organisational boundaries.

Recognising this imperative, the Management Advisory Committee (MAC) initiated a review of relevant experience to identify better, practical ways of working across organisational boundaries. The project involved a consideration of international and Australian experience and the examination of a number of case studies. (The terms of reference for the project are at appendix A.)

This report outlines the key findings of the project and includes a summary of the case studies.

Its findings call for action at a number of different levels—for the service as a whole, individual agencies and senior managers.

The report is supplemented by Good Practice Guides to assist those involved on the ground in whole of government activity, a bibliography and literature review, and a summary of findings. A web presence is also being developed to provide additional resources.

What 'whole of government' means

Achieving greater coordination in policy advice and program and service delivery is a high priority of public administration in Australia.

There are numerous names to describe this priority, such as joined-up government, connected government, policy coherence, networked government, horizontal management and whole of government.

Whole of government work encompasses the design and delivery of policy, programs and services.

The distinguishing characteristic of whole of government work is that there is an emphasis on objectives shared across organisational boundaries, as opposed to working solely within an organisation. It encompasses the design and delivery of a wide variety of policies, programs and services that cross organisational boundaries.

Its use in the Australian context has generally implied an emphasis on breadth ('whole') and on government (especially Cabinet and the ministry), emphasising that public sector agencies are focused on the government's policy and operational agenda. There is also recognition that whole of government activities can be responsive to community needs for better coordination of services or policies.

Whole of government initiatives can result from formal 'top–down' decisions requiring a cross-portfolio approach, such as the Council of Australian Governments' Indigenous Communities Coordination Trials (COAG Indigenous Trials).[1] Alternatively, many initiatives begin at the local level where people from different agencies work together to achieve shared goals for one community.

Whole of government defined.

For the purposes of this report:

> '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.'

It clearly envisages increased coherence across government, including within portfolio and agency responsibilities, reflecting the elected government's overall policies and priorities. These approaches frequently involve groups outside government.[2] Whole of government activity may also span any or all of the three levels of federal, state/territory and local governments in Australia. While touching on aspects of this cross-jurisdictional interaction, this report focuses primarily on integration at the Australian Government level.

Why a whole of government approach is so important

External drivers

There are more and more demands to integrate policies, programs and services.

The key demands for horizontal management are 'increasingly demanding citizens, new information and communications technologies, continuing pressure on public sector budgets, experimentation with new ways to deliver services, and greater recognition of the complexity of social problems and the range of expertise from different institutions and sectors required to tackle them'.[3]

Challenges, such as security and counter-terrorism, managing a sustainable environment, supporting communities in rural and remote Australia, and addressing intractable social problems

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1   The peak intergovernmental forum in Australia is the Council of Australian Governments (COAG), chaired by the Prime Minister. COAG comprises the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA). It first met in December 1992. The Secretariat for COAG is located within the Department of the Prime Minister and Cabinet. The role of COAG is to initiate, develop and monitor the implementation of policy reforms which are of national significance and which require cooperative action by Australian governments.

2   The concept of network governance suggests a more in-depth focus and concern about the relationships and processes, both within bureaucracy and with other organisations.

3   EA Lindquist, 2000, 'Preconceiving the Centre: Leadership, Strategic Review and Coherence in Public Sector Reform', in *Government of the Future*, OECD (Organisation for Economic Cooperation & Development), OECD, Paris, pp. 149–84.

like drug dependence, are complex. As the Prime Minister states, the solutions to these types of problems require strategic responses that cross organisational and state and local government boundaries, and involve groups of people outside government. In addition, more Australians come into contact with the Australian Government than ever before. Pensioners and beneficiaries of Australian government support already comprise nearly 20 per cent of the population. The increased ageing of the population will likely increase the level of interactions between citizens and the government. Government agencies must respond well to increasing demands from citizens.

Globalisation is another key external driver. Technological change is driving international competition, from which the public sector is not immune. To assist the Australian economy to remain competitive, productivity gains must continue to be achieved in public policy and public service delivery: greater integration and shared infrastructure offers one of the opportunities for such gains.

Technological change both facilitates and increases the imperative for working across organisational boundaries. The internet, in particular, eliminates boundaries and raises community expectations of integrated services.

The trend towards customer-centred commercial activity has provided a point of comparison for government service. Lessons have been drawn from the private and non-government sectors to ensure services are more responsive, secure and tailored to particular customers and clients, using the latest in technology and communication infrastructure. People want government to be more accessible, less complex and faster in its response to their concerns. An important constraint is the premium people place on privacy.

Centrelink, Australia Post and Rural Transaction Centres are all examples of more integrated service delivery arrangements with the capacity for linking with private service providers.

Many sources of policy advice are now available to the Australian Government. This is not surprising given advances in information technology and communications, a more sophisticated media, improved general standards of education and increased community capacity to challenge policies. The role of the APS in being responsive to the elected government requires its policy advice to be comprehensive as well as honest, accurate and timely. To do this, the APS must maintain close links with external advisers and the capacity to identify and assess different perspectives and views.

Internal drivers

Inside the APS, increased devolution has delivered gains, but with the risk of emphasising 'silos'.

Much of the new public sector reform agenda of the last two decades in Australia has focused on improving efficiency and effectiveness. This allows agencies greater flexibility in the management of resources, coupled with sharper responsibility for the agency outcomes or results demanded by the government. There is considerable evidence of substantial productivity gains as agencies have taken advantage of devolution to align their staffing, administrative resources and assets to the objectives government has set them. They have exploited new technologies and used competition and purchaser–provider arrangements to get the most from limited resources.

There is some risk, however, that devolution of authority to agency heads and a clear vertical accountability for agency outcomes may make collaboration across organisational boundaries more difficult.

The flexibility fostered by devolution could, however, be used to address whole of government issues.

The flexibility fostered by devolution, however, could also be used to explore innovative solutions to complex problems, including solutions requiring cooperation among agencies and with external groups. The challenge is to find the infrastructure, processes and practices that might promote better connections and remove any obstacles to collaboration that devolution may have raised. These include relevant skills and culture, an information-sharing infrastructure and governance arrangements that focus accountability on the whole of government outcomes the government is seeking.

Whole of government is a relative strength for Australia

Whole of government work is not new.

The notion of whole of government is not new. Coordination has been a longstanding feature of Australian public administration, with three main types of whole of government activity:

- between Australian government agencies

- between different levels of government

- between the public, private, non-profit and community sectors.

Perhaps the first attempt at whole of government coordination was the establishment of the Prime Minister's Office not long after Federation.

The Coombs Report in 1976 set the scene for better ways of approaching whole of government issues.

A landmark Australian report promoting new whole of government approaches was the Royal Commission on Australian Government Administration (RCAGA)[4], published in 1976. It argued that a new style of public administration was required which placed more emphasis on:

> …availability of a comprehensive service at a local level…[which] gives the citizen a greater sense of being in touch with the decision-makers rather than an amorphous, unreachable department[5].

Coordination has been enhanced by…

…reducing the number of departments

In 1987 a major RCAGA recommendation was implemented when 28 government departments were decreased to 18, each with a portfolio Cabinet minister. This was an attempt to integrate related functions into larger portfolios and also to enhance the capacity of Cabinet to take strategic policy decisions covering all areas of government. This important structural change helped to integrate policy, program and service delivery across federal agencies. While there have been many machinery of government changes since 1987, the basic philosophy of fewer portfolio departments, each represented directly in Cabinet, has remained.

…creating Centrelink

The RCAGA report also proposed a 'one-stop shop' concept to facilitate transactions with all levels of government. Trials of this concept had mixed success, partly because of the limits of technology at the time. The idea, however, bore fruit in 1997 with the creation of Centrelink to bring together the service delivery networks of two Australian government departments in the income support and employment sphere, together with related services funded through a number of other Australian and state government agencies.

Another initiative aimed at improving coordination was the Fraser government's concept of 'cooperative federalism' in the 1970s, which sought ways of avoiding duplication, overlap and unnecessary interference with the affairs of the states. The Hawke government's 'New Federalism' policy, launched in 1990, also focused on cooperation, proposing federal withdrawal of direct service delivery from some areas.

While resolving federal relations is an ongoing challenge, the emphasis of these approaches on practical cooperation has continued.

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4 HC Coombs (Chairman), *Report of the Royal Commission on Australian Government Administration*, AGPS, Canberra, 1976.

5 HC Coombs, op.cit.

...the Council of Australian Governments	Whole of government coordination between the three levels of government (federal, state and local) was enhanced through the establishment of COAG in 1992. COAG increased cooperation between levels of government and provided a forum for consideration of whole of government issues such as national competition policy. The Howard government's tax reform in the late 1990s reduced the annual financial debates and allowed COAG to extend its role as a forum for considering national priorities that require action across jurisdictions.
...the use of taskforces	The 1980s also saw the increased use of taskforces, rather than traditional interdepartmental committees, to bring together agencies and the right people in a flexible and focused way. Taskforces are now an established way of tackling high-priority whole of government tasks.
	Until the 1990s many integrated initiatives were top–down, focusing on policy coherence. In the last few years there has been a new suite of whole of government projects aimed at coherent delivery of support to communities, regions and individuals—with an emphasis on community consultation and participation. Examples included community development programs such as the Stronger Families and Communities Strategy and the Rural Transaction Centres which bring together Centrelink, Medicare, Telstra and other services in one location for rural Australians.
...the 'social coalition'	The Howard government has also focused on developing a 'social coalition' through partnerships between government, business and community groups. The Prime Minister's Business and Community Partnership initiative fosters such partnerships and formally rewards the most successful.
	In late 2002, the Prime Minister identified a series of key priority issues for whole of government activities, all requiring significant levels of consultation and partnership development.[6] They included: national security and defence; work and family life; demographics; science and innovation; education; sustainable environment; energy; rural and regional affairs; and transport. While the list was not presented as comprehensive and priorities will change over time, the Prime Minister has continued to emphasise the importance of issues that inevitably cross organisational boundaries.
...the Cabinet Implementation Unit.	As recently as 2003 the Department of the Prime Minister and Cabinet enhanced its coordination role by establishing the Cabinet Implementation Unit, which will support major whole of government activities as one of its functions.

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6   John Howard, '2002 Address To The Australian Research Alliance for Children and Youth',
     Department of the Prime Minister and Cabinet, Western Australia, 19 July 2002.

The case studies in this report illustrate the wide range of whole of government activity. One of these studies, the COAG Indigenous Trials, is a current example of a whole of government approach to complex needs in many remote Indigenous communities. These communities have needs that cross organisational boundaries at many levels, including health, education, housing, community infrastructure and employment. The Wadeye Trial, for example, found that population growth was placing pressure on housing and that overcrowding was resulting in poorer health and education outcomes. While all these aspects were linked, housing was a key.

While not new, for the reasons outlined earlier, the imperative for a whole of government focus is stronger than ever before. A more concerted approach at the service-wide and agency level is required.

There are particular challenges to be addressed:

- improving collaboration between organisations while maintaining accountability to ministers and through ministers to Cabinet and the parliament

- delivering programs and services in a coordinated way to the Australian public while keeping down costs, avoiding fraud, maintaining national security and yet protecting privacy

- improving the Australian Government's engagement with individuals and communities

- working cooperatively with other governments

- responding effectively to emerging issues and crises.

When a whole of government approach is appropriate

The definition of whole of government includes 'public service agencies working across portfolio boundaries'. A large proportion of collaborative work is undertaken by agencies on a day-to-day basis in policy development, program management or service delivery. Examples are the constant contact between the Department of Family and Community Services and the Department of Employment and Workplace Relations on employment and welfare issues, or between the Department of Education, Science and Training and others on youth and early childhood issues.

Often the real challenge of whole of government work is not the large-scale, high-level, multi-lateral exercise so much as the day-to-day realities of trying to work across boundaries to make sure that outcomes are achieved.

The challenge then is not whether to use a whole of government approach, but how to use it well.

In the policy development sphere, for example, key points in the policy cycle are, by their very nature, whole of government. These include agreement of costs, comments on submissions to government and collective decisions by ministers. The point here is not about whether whole of government is appropriate, but how well it is performed. In addition, many new policy areas are crossing traditional departmental boundaries because of the challenges they pose.

Program management is increasingly focusing on cross-portfolio issues, particularly for complex problems. This experience will help improve the skills of APS employees at working in whole of government ways.

Service delivery is often undertaken, consciously or by default, on a collaborative basis. This is particularly so if it is undertaken by Centrelink but also if it is contracted out. A non-government agency would, for instance, be expected to link all programs it delivers on behalf of government. One of the challenges here is that these agencies are often trying to make sense of the connections between programs and policy. One of the solutions is to try and form feedback loops between service delivery and the policy process to unlock the lessons learnt in service delivery.

Using whole of government approaches for complex problems

A whole of government approach to a complex problem should not be taken lightly…

A strong message from the literature and case studies analysed for this report is that whole of government approaches to complex problems should only be undertaken when necessary.

Although there is a conviction about the effectiveness of whole of government approaches in the case studies, there is also a warning about judicious use. It is costly and time consuming and competing political and community agendas can undermine its objectives. It may not be the preferred approach for dealing with routine, straightforward issues.

At the same time, these factors should not be used as an excuse to avoid a whole of government approach—the APS should be striving to create a 'culture of collaboration' that aids informal sharing of research, experience and expertise in addressing intractable problems.

…it is particularly suited to addressing 'wicked problems'.

It can, however, be particularly suitable for complex and longstanding policy issues, sometimes referred to as 'wicked problems'. They defy jurisdictional boundaries and resist bureaucratic routines.

It may also be suitable for a limited time to ensure a particular issue is given joint priority and attention by relevant agencies. In some cases it may be appropriate to establish new structures and ongoing cross-agency linkages with substantial information infrastructure, to deliver integrated services responsive to particular clients or communities. The investment involved, however, must be justified.

Each issue should be examined on a case-by-case basis to gauge whether a whole of government approach is the most appropriate.

In determining whether a whole of government approach is appropriate, each situation or issue should be examined on a case-by-case basis. For very important issues it is likely that the government or the prime minister or ministers will identify an imperative to tackle a problem through a whole of government approach. For other issues the key challenge for government agencies is to recognise when an issue needs to be dealt with in this way. Some initial questions could be:

- Why do existing policies and programs not deal adequately with the problem?

- How does the problem relate to the government's core priorities?

- What are the likely client or community expectations about a solution?

- Which other agencies are affected by the problem and/or possible solutions?

- What joint planning, delivery and accountability arrangements would be appropriate?

- What are the risks of not adopting a whole of government approach to the issue?

- What are the likely costs and benefits of a whole of government solution?

How best to do whole of government work

Promoting and supporting a more whole of government approach has been a common focus and priority of public administrations in a range of countries, as well as international bodies such as the Organisation for Economic Cooperation and Development. Common drivers and policy challenges have fuelled interest and action in this area.

Countries have different approaches.

Countries differ in the approach taken to drive a greater whole of government orientation, consistent with different government philosophies and approaches to public sector management. Key differences appear in the degree to which the approach is driven and controlled from the centre—for example, in the use of

shared targets and reporting systems. In the UK, whole of government outcomes and cross-cutting targets are centrally set and monitored, with the Cabinet Office and Treasury playing a critical role.[7]

In Australia, the centre of government—the Prime Minister and Cabinet—is playing an increasing role in coordinating whole of government responses and prioritising whole of government issues. While the outcomes and outputs budget framework provides a strong basis for monitoring government activity, there is less use of national targets and reporting than in the UK.

Experience here and elsewhere has demonstrated the importance of institutional support for the political leadership and for whole of government work. This support goes beyond the central agencies and the offices of the central ministers.

There is no 'one size fits all' approach…

It is also clear that, whatever the overall philosophy, there is no 'one size fits all' approach for whole of government. There needs to be a range of organisational options available to deliver policies, programs and services across organisational boundaries successfully. The structure should be matched to the task. The variety of approaches is evident in the case studies conducted for this project, which include short-term taskforces, ongoing organisational solutions and a range of other coordinated mechanisms and processes.

…but there are common principles behind successful whole of government work.

Experience does suggest, however, that there are a series of common principles and challenges that need to be met for whole of government initiatives to be successful. These have formed the focus of the MAC considerations for this work. Appendix 3 provides a literature review.

The elements of an effective whole of government approach are broadly captured in Figure 1, which has been borrowed from Ling[8], who was commenting on the types of changes that were occurring in Britain as the agenda of 'joined-up' government was pursued.

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7   Cabinet Office (United Kingdom), *Electronic Services for the 21st Century*, 2000a; Cabinet Office (United Kingdom), *Reaching Out: The Role of Central Government at Regional and Local Level*, 2000b.

8   T Ling, 'Delivering Joined Up Government in the UK: Dimensions, Issues and Problems', Public Administration, 80(4), 2002, pp. 615–42.

FIGURE 1: **Best Practice Whole of Government**

Culture and philosophy

- incorporating whole of government values into portfolio cultures
- information sharing and cooperative knowledge management
- effective alignment of top-down policies with bottom-up issues

New ways of working

- shared leadership
- focus on expertise
- flexible team processes and outcomes
- cooperative resourcing

Best Practice Whole of Government

New accountabilities and incentives

- shared outcomes and reporting
- flexibilities around service outcomes
- performance measures engaging collegiate behaviour
- reward and recognition for horizontal management

New ways of developing policies, designing programs and delivering services

- collegiate approach
- focus on whole of government outcomes
- consultation and engagement with clients and users
- shared customer interface

Against this framework, the following service-wide and agency-level challenges need to be addressed.

Developing a supportive culture and skills base

Skills central to good whole of government effort include collegiate skills and valuing diversity of views.

Better management of whole of government priorities requires a skills base and culture within the APS that encourages interaction across institutional boundaries, values a diversity of views and perspectives, and innovation. This entails not only cooperation and collaboration across APS agencies, but also two-way communication with organisations such as community groups, business, academics and other governments.

A need for the wider APS to value whole of government work is highlighted in the literature, and could be supported through the use of incentives and rewards. Increasing mobility across organisational boundaries is seen as valuable in broadening public sector perspectives. There is also a need to develop skills and behaviour such as collaboration, trust, and the ability to mobilise teams and work well in groups. This has been a constant theme of the literature and practical experience.[9]

Having an organisational culture which supports whole of government work is a key to success.

Case study participants emphasised the importance of 'getting the process right'. Leadership, relationship building, trust and good-quality communication were seen as central to successful whole of government work. There are also implications for human resource development in areas such as relationship management, interagency project management and knowledge management.

There are various flexible and innovative ways APS agencies can work together to get good whole of government outcomes.

New ways of working together are required, characterised by:

- leadership for activities being shared or one agency having a clearly identified leadership role involving the work of other agencies

- a focus on expertise and relationships, rather than on the status of individuals or organisations

- an increased focus on flexible team processes and outcomes, rather than structures and rules

- resources being pooled cooperatively when necessary

- a focus on whole of government outcomes, rather than portfolio 'turf' protection.

Whole of government approaches require more than the capacity to manage horizontally across portfolios. They require a shared understanding across organisational boundaries of the

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9   See, for example: Cabinet Office (United Kingdom), 1999b, *Services first: joined up public services*, <http://www.servicesfirst.gov.uk/1999/joinedup/joinedup.htm>; T Ling, op.cit.; E.A Lindquist, 'Culture, Control or Capacity? Meeting Contemporary Horizontal Challenges in Public Sector Management', School of Administration, University of Victoria, Canada, 2001; Institute of Public Administration of Canada, *Clients Speak: A Report on Single Window Government Services in Canada*, Ontario, Canada, 2002.

government's broad policy objectives. The implications point to the need for a strong culture of collaboration and responsiveness to ministers and the government's broad agenda, as well as one of professional expertise.

Governance, budget and accountability frameworks

Tailored frameworks are important.

Governance arrangements need to be tailored to particular whole of government objectives. This may involve creating new structures such as the Australian Greenhouse Office or Centrelink, or better management across existing structures through taskforces and project teams. Budgeting and accountability frameworks need to support whole of government priorities from the inception stage of a project (before Cabinet decisions are taken) through to implementation.

There is strong agreement that clearly defined accountability arrangements are important for successful whole of government work.[10] Planning is considered an important aspect, as many challenges are able to be resolved early in the process.[11] The literature also identifies risk management as increasingly important to the whole of government approach. The aim is to have fewer surprises, fewer direct costs and a better understanding of risks.[12]

There is a tension between horizontal collaboration and vertical accountability.

A particular challenge is to improve cross-agency coordination and collaboration while maintaining vertical accountability. One approach to this is the reporting arrangements for the Australian Greenhouse Office (AGO). Part of the Environment and Heritage portfolio, AGO is legally accountable to the Minister for Environment and Heritage, but under the Prime Minister's instruction, is jointly administered with the Minister for Industry, Tourism and Resources.

Another approach is the reporting arrangements of the Natural Resource Management (NRM) Team. The NRM Team is responsible for the Australian Government's strategy on sustainable use and conservation of land, water, soil and vegetation resources. The NRM Team has two secretaries sharing leadership of the venture—the heads of the Departments of the Environment and Heritage, and Agriculture, Fisheries and Forestry. Vertical accountability is maintained by each agency having sole responsibility for particular budget appropriations. Horizontal coordination at the top is achieved through a ministerial board.

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10 A Thurley, 'Whole-of-government outcomes', *Canberra Bulletin of Public Administration*, vol. 106, February 2003, pp. 30–35.

11 T Fitzpatrick, 'Horizontal Management—Trends in Governance & Accountability', Action Research Roundtable on the Management of Horizontal Issues, Canadian Centre for Management Development, 2000.

12 Cabinet Office (United Kingdom), 2002,Risk: improving government's capability to handle risk and uncertainty. Full report—a source document, Strategy Unit report, London, <http://www.pm.gov.uk>; Organization for Economic Cooperation and Development (OECD), *Emerging Risks in the 21st Century: An Agenda for Action*, OECD Publications Service, Paris, 2003, 27 pages.

An emerging issue: a move from traditional hierarchies to the establishment of networks and partnerships.

One of the issues emerging for public sectors, both nationally and internationally, is the move away from traditional hierarchies to establishing networks and partnerships with other key players, such as the non-government sector. As more citizens and their representative groups become involved in providing policy advice, assisting with program design and delivering services, the public service focus will move from arrangements based around contract management to also include collaboration and establishing alliances.

Maximising information and communications infrastructure

Information sharing is essential.

Information sharing is essential. For the more integrated approaches, there may be significant technological challenges (e.g. compatibility of systems, security, and privacy) and substantial costs. There is, however, a strong case to be 'integration-ready' through common standards and shared investment in high-priority data collections and definitions. It is also important to maximise the potential of technology for more seamless service provision.

Improving government's engagement with individuals and communities

More and more external players are involved in government policy making.

Governments are increasingly choosing partnerships to respond to citizen demands to improve access and convenience through seamless service delivery.[13] More sophisticated service delivery approaches are being developed but they are not without challenges. The challenges include 'turf' tensions, technological problems, managing increasing expectations and partnership issues, including coordination of resources and accountability.[14]

Involvement in policy development and service delivery from the non-government sector and community is increasing in Australia. As Edwards notes, this highlights the need for public servants to attain skills to be 'partnership ready'[15], including developing a common language for a whole of government project, clarifying expectations and agreeing on dispute resolution processes. The literature also identifies that genuine involvement of people affected by government decisions is a high priority for successful whole of government approaches (see Literature Review, appendix 3).

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13 Ling, (op.cit): Canadian Centre for Management Development, 2000, (op.cit).

14 C Bacon, 'Integrated Local Service Systems', *The international Journal of Public Sector*, Vol 11, Issue 6; S Bent, K Kernaghan, & D Marson, *Innovations and Good Practices in Single-Window Service*, Citizen Centred Service Network, Canadian Centre for Management Development, 1999.

15 M Edwards, 'Public sector governance: Future issues for Australia', *Australian Journal of Public Administration*, 61(2), 2002, pp. 51–61.

The importance of wider engagement is demonstrated in a number of the case studies. These include Goodna Service Integration Project, the COAG Indigenous Trials and the regional delivery of the government's key natural resource management programs. This experience also demonstrated that whole of government projects bring heightened requirements for pre-project planning so that there is shared understanding between government agencies and communities. There is a need to be strategic about the way projects are designed and delivered.

Building the capacity to respond quickly and effectively to emerging issues and future crises

Skills must be well-honed to respond to crises or to difficult international negotiations.

A whole of government capacity is essential in the effective handling of emerging issues and crisis situations. This is particularly pertinent in the current international security environment and to the negotiation of complex international agreements.

Australian performance in responding to such situations as the Olympic Games, bushfires and other natural disasters, the Bali bombings, border protection and security, as well as in negotiations involving global and bilateral trade and environment agreements has generally been positive. A feature of these responses is rapid and flexible resource deployment and marshalling different agencies and organisations. The APS needs to maintain and build on this capacity and preparedness—as well as translate the lessons learnt to other whole of government endeavours.

The Olympic Games and the response to the Bali bombings both offer examples of creative responses to unprecedented demands. One of the keys to success was using existing structures, hierarchies and chains of command to ensure efficient responses.

The rest of this report

Chapter 2 identifies the structural options available to address these issues and considers when each is likely to be most effective in supporting whole of government outcomes.

Chapter 3 focuses on organisational culture and personal skills as critical 'make or break' factors in contributing to success in whole of government work.

Chapter 4 looks at the contribution that information and communications infrastructure makes to the way government conducts its whole of government business. The chapter builds

on work undertaken by the Management Advisory Committee in 2002 to investigate Australian government use of information and communications technology.[16]

Chapter 5 identifies budget and accountability arrangements as another enabler of whole of government work. Although resourcing and accountability are daily priorities for most people in the APS, they can present new challenges in a whole of government environment.

Chapter 6 focuses on engagement beyond the Australian government to achieve better results for Australian communities. It offers practical advice for better engagement with individuals and communities and other interest groups, and touches on cooperation with other jurisdictions.

Chapter 7 examines lessons from whole of government responses to crises.

The appendices outline the terms of reference for the project, issues raised in the literature, a bibliography and summaries of the case studies conducted.

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16 MAC Report 2, *Australian Government Use of Information and Communications Technology: A New Governance and Investment Framework Australian Public Service Commission, Canberra*, 2002.

2 >> STRUCTURES AND PROCESSES

CHAPTER FINDINGS

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.

CHAPTER SUMMARY

- The core of whole of government work includes the Cabinet system and meetings of key leaders such as regular portfolio secretaries' meetings.

- Existing structures can be used better to support and monitor APS whole of government work and this chapter recommends some new roles for these structures.

- There are other horizontal structures which can be used as platforms for whole of government work.

- This chapter discusses the features, and advantages and disadvantages of the following horizontal structures: interdepartmental committees, taskforces, joint teams, agency arrangements and frontier agencies.

- Each type of structure is defined and discussed in terms of its suitability for different types of APS work.

Introduction

Many Australian government priorities cannot be met by one agency alone.

Achieving many of the outcomes that are key priorities for the Australian Government requires coordination of policy advice, program development and/or service delivery over a number of portfolios. Typical issues that no one portfolio could effectively address include:

- security, counter-terrorism and managing borders

- growing a vibrant and competitive economy in a sustainable natural environment

- nurturing an equitable and self-reliant society

- supporting Indigenous communities in tackling problems of health, employment, loss of social coherence, violence and substance abuse

- tackling problems of drug dependence across the community

- supporting rural and remote communities to maintain social, economic and environmental sustainability

- providing income, health, family, education and other support in a way that is clear, convenient and simple for individuals to access.

Cabinet is a key coordinator.

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.

Executive authority can be called 'vertical' management. It is efficient.

Portfolios consist of a core department and, frequently, one or more agencies responsible to a minister(s). The minister is directly aware of the key priorities of Cabinet. Coordination within the core department and within each agency is facilitated by clear lines of control and accountability. In general, employees are accountable to the agency head, who is then accountable to the minister (either directly, as in the case of a secretary of a department, or indirectly, through a board as is sometimes the case for statutory authorities). Subject to any statutory limitations, the minister and, under the minister, each agency head therefore has the power to require that policies and programs within each agency are coordinated. Again, with assistance from the portfolio secretary and subject to any statutory constraints, the minister is in a position to ensure coordination between agencies in the portfolio so that Cabinet priorities are delivered. Of course, with large and complex portfolios this task can be formidable, but the point remains that the scope of executive authority (*vertical management*) will usually be sufficient to enable the coordinated management of most issues for which the portfolio has sole responsibility.

Larger portfolios make coordination easier.

That is why the decision in 1987 to reduce significantly the number of Australian government portfolios and to have each represented in Cabinet was important for the coherence of policy and the delivery of services. It reduced the need for 'cross-boundary' coordination, reduced the load on Cabinet and at the same time ensured that each portfolio was led by a minister directly aware of Cabinet views and priorities. There are, however, practical limits to the size and scope of individual portfolios. Changing portfolio responsibilities in an attempt to 'internalise' an issue can simply shift the point at which coordination has to take place.

It is when issues span one or more portfolios that coordination (*horizontal management*) can become particularly difficult. In principle, the Cabinet and the prime minister, or ministers acting bilaterally coordinate across portfolio boundaries. The clear articulation of guiding government philosophies and priorities by the prime minister and senior ministers is in itself a powerful mechanism to encourage coherence in policy advice and service delivery across the government administration. There is much, however, that better structures and processes can do in support.

Ministers drive policy.

Ministers drive policy, and Cabinet and its processes are at the centre of horizontal management. Cabinet processes are outside the scope of this report, but some considerations that have been pursued by governments include:

- retaining a clear strategic focus to Cabinet's work

- accordingly settling lesser-order policy issues between ministers (including the Treasurer and Minister for Finance where there are revenue or expenditure implications) in a way that is transparent and only requires Cabinet discussion where there is disagreement

- paying meticulous attention to maintaining an effective budget process that is attuned to the government's key priorities

- consulting departments (and, if appropriate, stakeholders) in the development of papers for Cabinet's consideration—this will ensure, as far as possible, accuracy of analysis and facts, the comprehensiveness of options and realistic assessments of implementation requirements and timelines

- as a corollary, avoiding wherever possible disputes about the facts or options that have not been subject to analysis occurring in the Cabinet room so that the focus can fall properly on the key policy choices

- ensuring that Cabinet's decisions—and particularly its key priorities—are carried through expeditiously and effectively.

The establishment by the Howard government of the Cabinet Policy Unit (CPU) reporting to the prime minister is a sign of the growing importance of whole of government coordination. It helps to ensure that these issues are considered in relation to matters that are to come before Cabinet.

The Department of the Prime Minister and Cabinet has a key role in implementing and supporting whole of government work…

In turn, the CPU will be supplemented by the creation of the Cabinet Implementation Unit (CIU) in PM&C. This aims to improve the implementation of government decisions, particularly multi-agency initiatives, by bringing the consideration of implementation issues up-front into the policy development phase. This will also encourage a culture of project and program management in the APS. Tracking and reviewing implementation of government initiatives will enable the APS to gather better practice experience to add value to the planning of new proposals. One of the proposals of this report is that the PM&C should use that experience as a basis for spreading advice on best practice in whole of government work through a web presence.

Not all whole of government activity, however, can or should be driven from the PM&C. All departments share the obligation to adopt a whole of government approach when this is necessary to achieve the outcomes the government is seeking. Attitudes, skills, information management and stakeholder engagement are critical. Sometimes special horizontal structural arrangements or processes are necessary or helpful in managing these horizontal issues.

Interdepartmental coordination starts at the very top of the APS

Regular brief meetings of portfolio secretaries, chaired by the Secretary of PM&C and attended by the public service commissioner, facilitate exchange of information, the provision of advice on government priorities and the consideration of important service-wide issues. The meetings model the importance of open, collaborative approaches between portfolios and relevant agencies and reinforce a collegiate culture. This report proposes that the already important role played by these meetings should be enhanced by receiving regular feedback from the CIU on progress on multi-agency initiatives.

It also asks secretaries to adopt a discipline of informing the meeting when important or major whole of government issues or initiatives are under consideration. This will provide both an opportunity for ensuring that all the appropriate parties are engaged and that careful thought is given to whether there are staff development opportunities through participation in the exercise. The importance of seeking these opportunities for developing a more collaborative culture, and a senior cadre of employees with experience in working across departmental boundaries is a finding in the next chapter.

An annual retreat, at which portfolio secretaries and agency heads consider major issues facing Australia and the APS and meet with the prime minister, is also very important in providing a framework for whole of government priorities. Every portfolio secretary is now equipped and expected to be a champion for a whole of government approach. These retreats usually discuss in depth one or more of the intractable issues facing Australia and how the APS is responding to support the government in addressing the issue.

There are also some important committees of secretaries on particular priority areas for whole of government action, including secretaries' committees on national security, greenhouse policy, biotechnology, oceans policy, youth affairs

and Indigenous issues. These committees often support a Cabinet committee or ministerial board and can be used as a high-level forum for clearing Cabinet submissions or making decisions on matters that do not need to go to ministers.

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. Again, 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 employees to observe secretary-level committees in action should be sought.

…central agencies.

As part of the ongoing central coordination process, the senior employees of central agencies—PM&C, the Treasury and the Department of Finance and Administration—play a critical role in promoting effective whole of government outcomes. Frequently, however, there is a need to establish (with the appropriate ministerial endorsement) special purpose mechanisms to advance whole of government outcomes.

Structures: new and old

Traditionally most whole of government work has been carried out through interdepartmental committees. In recent years, these have been complemented by more frequent use of dedicated taskforces, formal partnerships to deliver programs, delivery of services by one agency on behalf of one or more other departments (under service-level or purchaser–provider agreements), and special-purpose agencies created outside the normal departmental structures to develop and/or deliver whole of government products.

The choice of structure depends on the task.

Which of these structures is used will depend very much on the nature of the task, its urgency, priority, level of contention and difficulty, as well as the resources available. These are matters established at a senior level—frequently for important issues by the prime minister, ministers or Cabinet. Departments can draw on the examples set out below in deciding what mechanism to recommend, as well as the best practice to follow, once a decision is made. These decision tools should be maintained, updated periodically and made available as part of the whole of government web presence which is proposed in this report.

International negotiations require a whole of government approach.

International negotiations are a particular case where whole of government action is essential. Once entered into, international commitments are difficult to change. Effective coordination is required overseas where Australia must speak with one voice and delegations often include employees from a number of

different agencies. A whole of government approach is essential in preparing for such negotiations, particularly given the rapid growth of international agreements on subjects that have complex implications for a range of domestic policies and the increasing linkages between issues that are not always easy to see. Efforts by some countries to use international environmental negotiations to advance their trade agendas is one example. Australia's approach in a particular negotiation can impact on its relationships with other countries and on other negotiations. Effective interagency coordination in preparing for negotiations has been a key element in Australia's ability to achieve positive international outcomes.

International obligations require effective coordination and consultation at all levels.

Decision making on international matters rests with the Australian government. In practice, the views of parliament are sought before any formal treaty action is taken. In addition, domestic implementation of international obligations often falls to the states and territories on matters where they have primary competence, or for practical reasons. This therefore requires effective coordination and consultation at all levels. It is also important for other domestic stakeholders to be engaged on a whole of government basis.

Building a strong culture of consultation on international activities is important.

The Department of Foreign Affairs and Trade has overall carriage of Australia's external relations, but other agencies have primary responsibility for international negotiations on a number of specific issues. Processes designed to achieve whole of government outcomes on domestic policy issues—including cabinet committees, secretaries' committees and traditional IDCs—are generally used to coordinate this work. Such processes need to be designed to deal effectively with negotiations, especially in multilateral forums where Australia does not control the process and timelines, and where there is often the need to respond rapidly to developments. Building a stronger culture of consultation on international activities is important, given the increasing linkages between international issues and domestic policy matters. Agencies with primary carriage for a particular negotiation need to be aware of the potential sensitivities that might arise outside their portfolio's responsibilities.

Interdepartmental committees

Interdepartmental committees are the most traditional form of cross-departmental coordination.

Interdepartmental committees are the most traditional form of cross-departmental coordination. The defining characteristics of an IDC are:

- employees meet formally as representatives of their departments

- they are expected to speak with their department's authority and accordingly seek appropriate clearance for the positions they advance

- the scope of business and membership of the committee is defined and its establishment authorised at an appropriate level

- decision making is by consensus

- records of outcomes are kept.

IDCs may be standing committees to coordinate the execution of established policies, to provide a forum for formal consultations, to facilitate clearance of Cabinet submissions or to coordinate delivery of programs or services. Alternatively, they may be ad hoc committees to tackle a particular issue or manage a particular event.

As the term 'IDC' is now regarded as being particularly unexciting and bureaucratic, a number of these committees have come to be called taskforces or working groups. For the purpose of this report the term 'taskforce' is restricted to a different, less representative form of cross-departmental structure.

The strengths and weaknesses of IDCs flow from their representative character and their consensual approach to decision making.

IDCs can be efficient and responsive to government…

IDCs are a good way of coordinating action, assigning responsibilities for shared tasks, documenting agreement and ensuring no surprises in delivery or subsequent decision making. When well led and supported, and the participants adopt the behaviours that are critical to good whole of government cooperation, they can play a positive role in developing and reinforcing the whole of government ethic, as well as informal networks. The consensual approach adopted by IDCs encourages negotiation and allows the expression of dissenting views. This can be particularly important in exposing uncomfortable issues and choices.

Most IDCs work very well and they continue to be the structure used for most formal interdepartmental coordination.

…but less useful for agreement on contentious issues where stakeholders disagree.

Long experience has, however, shown that IDCs can be less useful in joint problem solving in areas of policy contention where there is not an accepted factual and analytic base and where departments are responsive to the views of external stakeholders with conflicting objectives. IDCs typically have little capacity to do original analysis or research in their own right. They rely on the line agencies to do the work and bring it

to the table. Whether the resources are made available by the line agencies in a timely and open way can itself become a matter of contention.

As a result, their representative nature and consensus-based decision making can lead to IDCs primarily defining areas of difference and/or proceeding on the basis of negotiated lowest common denominator outcomes. At times this can help clarify facts, analyses, issues, stakeholder responses and options for senior employees and ministers in a way that assists decision making.

Difficulties that can arise in the IDC process have been long observed.[1]

Sometimes the result can be complex and unclear. This is particularly so if senior employees or ministers are not prepared to authorise compromise by their representatives. The existence of a secretaries' or ministerial committee can chill decision making at the IDC level as positions are protected and the hard issues are consciously reserved for the senior committee.

IDCs can become a bureaucratic habit.

Another risk is that IDCs—particularly standing committees —can become a bureaucratic habit continuing long after they have ceased to add value. In many areas more informal networks or communities of interest—often email or net-based —have replaced IDCs as a coordinating and information exchange mechanism at much lower cost.

The minimum expectation of an IDC is to clarify options and establish facts.

Accompanying this report are Good Practice Guides providing advice to employees about expectations of their behaviour in preparing for and participating in IDCs. The minimum expectation from an IDC, even on a matter that is contentious, is that they clarify options and establish agreed facts clearly and succinctly so that subsequent decision making is facilitated.

Table 2.1 summarises the types of activities for which IDCs may be useful and provides a best practice checklist.

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1   RCAGA, HC Coombs, Chairman, Report, 1976; M Painter, & B Carey, *Politics between Departments: The Fragmentation of Executive Control in Australian Government*, University of Queensland Press, St Lucia, 1979; P Wilenski, *Public Power & Public Administration*, Hale & Ironmonger, Sydney, 1986.

TABLE 2.1: **Getting the best from an interdepartmental committee**

	Use an interdepartmental committee…
…for:	**…where:**
policy development	• there is an accepted factual and analytic base (or commitment to develop it) • members are authorised to compromise • definition of areas of disagreement and options is acceptable and there are subsequent decision-making steps
program design and review	• there are shared goals and a culture of joint work • there is ability to resource design effort • there are distinct roles
program management and service delivery	• coordination is required in a formal setting • decision making by consensus is acceptable or • decision responsibility rests with member agencies
cross-jurisdiction and cross-sector	• processes are mainly consultation and discussion, not decision making
crisis management	• there are lead agencies • decision-making responsibilities and urgency are clear and accepted by all parties

IDC: best practice checklist

- *Ensure clear purpose, membership and reporting lines.*
- *Review points and/or end date.*
- *Ensure quality meetings—chairing, briefing and skills of members, secretariat and follow-up.*
- *Find an alternative if progress is not being made.*

Taskforces

Taskforces have made major contributions on time-limited specific issues.

A form of organising whole of government work that has become very important over recent years is the time-limited, specific-issue taskforce. These were used widely in the Whitlam government in the mid-1970s because of concerns about the slowness and consensual nature of IDC processes.[2] Since the mid-1980s, taskforces have addressed a range of important issues such as public service reform, microeconomic reform, income security and pensions, and so on. In the 1990s taskforces have made major contributions to government statements on investment and employment and to the development of policy and negotiation of outcomes on native

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2   P Wilenski, op. cit.

title, forest policy, salinity, land clearing, national water policy, welfare reform and energy policy. These issues were all characterised by a high political priority, complexity, an impact on the responsibilities of a number of portfolios, and frequently by contention within the community and sometimes between portfolios.

Members of a taskforce:

Taskforces focus on joint problem solving for a shared outcome.

- have time limits and objectives to provide a clear outcome

- are not usually engaged in a representative role but rather to bring their skills and experiences to joint problem solving

- are sometimes expected to keep their home agency informed and engaged in support of the taskforce's work

- can be drawn from outside the public service, as well as from the departments directly concerned, and reflect an appropriate range of disciplines and experience

- are frequently engaged full-time with the whole of government task and work to the taskforce leader

Members work to the head of the taskforce.

- frequently undergo a conscious separation from line accountabilities in the host department

- often work to a Cabinet committee or committee of ministers

- often engage with a consultative IDC drawn from the affected departments and conduct consultations with community organisations.

Unlike an IDC, taskforce decisions are not necessarily by consensus. Usually the head of the taskforce accepts responsibility for its decisions/recommendations. This can enable issues to be forced to decision and lead to greater clarity with less compromise.

Most of the major policy development/negotiation taskforces have been hosted by the PM&C, although they have frequently been led by senior employees seconded from other departments for the duration of the taskforce.

Members put their agency's interests behind them.

By their nature, taskforces bring the capacity to do fresh and original work, and have proved to be very effective at solving difficult problems and developing complex integrated packages. They enable highly skilled public servants to put their departmental interests behind them and join with expert and creative outsiders to focus on developing outcomes backed by comprehensive analysis. They provide the opportunity to work iteratively with ministers (and secretaries) to craft

outcomes that are not only intellectually rigorous but politically robust. In this sense they are more likely to produce practical and enduring recommendations than independent inquiries, which are often an alternative in tackling these difficult issues.

Taskforces can be expensive and may fail to canvass all options.

Their disadvantage is that they are expensive compared with IDCs, and can run the risk of failing to canvass the full range of options, facts or stakeholder interests. Ministers will only devote the time and resources needed if the matter is a key priority for the government. In most cases the prime minister's backing, if not his direct participation, has been critical to success.

Taskforces can also be used in program development and service delivery. For example, there is a taskforce to support the COAG Indigenous Trials. In service delivery, cross-agency taskforces can be useful to deal with backlogs in service provision, targeted interventions to secure the turnaround of an area or community suffering multiple disadvantages, and the follow-up to crises (e.g. natural disasters). Again, the same requirements apply—it is critical for the venture to have the full backing of the key decision makers, a sound governance structure and the right skills.

Taskforces offer APS employees valuable development opportunities…

Participation in taskforces can be of great developmental value because they encourage effective problem-solving skills, expose participants to other departmental cultures and stakeholders, and sometimes provide the opportunity to interact with the prime minister and Cabinet. Employees to participate in taskforces should be chosen carefully with these developmental opportunities in mind.

…but can distance people from their home agencies.

At the same time, participation in taskforces can distance members from their home agencies. Employees become loyal to the taskforce and committed to the new work. This is a particular problem when taskforces are extended. Employees may miss out on opportunities for promotions or have difficulty assimilating back into their department.

Table 2.2 summarises the type of activities for which taskforces are particularly useful.

TABLE 2.2: **Getting the best from a taskforce**

	Use a taskforce…
…for:	**…where:**
policy development	• there is high government priority
	• there is a complex problem
	• creative solutions are required
	• there is contention across key stakeholders or within government
	• there are tight timelines
program design and review	• there are 'turnkey' projects for tightly integrated multi-department programs
	• there is a strategic review of program effectiveness and delivery
program management and service delivery	• time engagement in the program is short and coordination needs are high
	• priority problem areas or communities are to be tackled
	• clients face multiple problems
cross-jurisdiction and cross-sector	• there is a high level of trust and willingness to move from negotiation to joint problem solving
	• there are complex issues
	• a high level of cooperation is required
	• governance arrangements are clear
crisis management	• multidisciplinary skills and resources are required
	• decision and executive power can be defined
	• there are clear links with line agencies
	• clients face multiple problems

Taskforces should have strong support from the key decision makers, a clear charter and timeframe, good protocols for interaction and strong team skills among members. They should be focused on outcomes. A best practice checklist for taskforces is below.

Taskforce: best practice checklist

- *Clear charter and term.*
- *Appropriate decision reference points, e.g. prime minister, Cabinet committee, senior staff committee and process for reporting.*
- *Clear protocols for relationship between taskforce members and home organisations.*
- *Clear protocols for consultation between taskforce leadership, affected agencies and external stakeholders.*
- *Appropriate skills mix and resources.*
- *Focus on an outcome not just a product.*
- *Loyalty to the taskforce.*
- *Members with good interpersonal and consensus-building skills.*
- *Co-location of members where the task is full-time and complex.*
- *Attention to team building, roles of members and leadership.*

Interdepartmental partnerships—joint teams

Agencies involved in joint teams share influence and accountability.

Joint teams are a new and relatively uncommon form of interdepartmental cooperation, usually in program delivery. They differ from taskforces because they are blended, not stand-alone, structures—that is, they are not a separate unit reporting to and through one head who has the final say on policy positions to be recommended to ministers. Joint teams have employees from two or more departments working together in a common management structure, while continuing to be subject to the management control of the relevant secretary. The key characteristics of joint teams are:

- employees from two or more departments work together to deliver shared outcomes in a blended functional organisation with an expected life of several years

- no agency has the lead role, and joint decision making occurs between the team managers, the executives of the departments and the ministers, as appropriate

- there are appropriate governance arrangements to allow this to happen efficiently

- formal financial accountability rests with each department for funds appropriated to it, and each department remains accountable under the Public Service Act for its employees who continue to work under the personnel provisions of their home department

- cross-delegations under the Public Service Act and the Financial Management Act enable joint team managers to administer blended groups

- to external clients, employees are identified as members of the joint team rather than in terms of their home agencies.

Trust at the highest level is essential.

For these arrangements to be successful there needs to be a high level of trust between the executives of the partner departments, as well as their ministers, and among the members of the joint team. Clearly the mission of the team has to be important to all the partners, and more readily achieved jointly than separately. Departmental cultures have to be broadly compatible, and team members have to be prepared to commit to understanding and appreciating the differences where they exist. Success breeds success and good experiences in a joint team can encourage better relations and joint work in other areas.

Joint teams are comprised of employees from two agencies but co-located.

The Natural Resource Management (NRM) case study provides a current example of a joint team approach (see appendix 2). The NRM Team is a joint initiative of the Department of

Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage to deliver the $2.7 billion Natural Heritage Trust (NHT) and $1.4 billion National Action Plan on Salinity and Water Quality (NAP). The team comprises employees from the two agencies, co-located to deliver these two large national programs that focus on addressing water quality, salinity, biodiversity loss and soil degradation and on developing more sustainable agricultural practices by investing to support catchment/regional plans made at the local level with federal and state support. The driver for the joint approach was recognition that progress on addressing environmental and sustainable agriculture issues would only happen if they received synchronised attention as part of a coherent plan with strong community commitment. The government had to model this integrated approach if it was to deal credibly with regional or state bodies.

Funding is appropriated to one agency but decisions about allocations are made jointly.

Funding for the NHT is appropriated to the Department of Environment and Heritage, and for the NAP to the Department of Agriculture, Fisheries and Forestry. However, the two relevant ministers make decisions about funding allocations and priorities jointly through a ministerial board which is attended by the secretaries of the departments. Both departments contribute equally to financial planning and decision making. These arrangements are discussed further in Chapter 5. The executives of the two departments meet jointly on a regular basis.

Joint governance mechanisms are needed.

For the NRM Team to work effectively, significant effort was necessary to better align financial, administrative and other accountability systems, reporting and IT. Joint governance mechanisms, operating protocols and decision-making structures were also necessary as the team does not operate within a simple vertical structure. A single NRM business plan was developed and a risk management strategy was also developed to articulate relationships and protocols.

Table 2.3 summarises the type of activities for which joint teams are particularly useful.

TABLE 2.3: **Getting the best from a joint team**

	Use a joint team …
…for:	**…where:**
policy development	• there is need for ongoing work
	• it is of equal importance to partners
	• there can be a high level of trust
	• there are clear benefits in terms of cost or quality from joint work
	• there is no disadvantage in loss of separate policy voices
program design and review	*as above*
program management and service delivery	• time engagement in programs is medium to long term and integration needs are high
	• defined areas or community issues are to be addressed
	• clients face multiple problems that need integrated solutions
cross-jurisdiction and cross-sector	• there is a high level of trust and willingness to move to joint program delivery
	• there is no disadvantage from loss of separate Australian government branding
	• a high level of cooperation is essential
crisis management	*See Taskforce or IDC for preferable alternatives*

Joint teams will only work where there is a high level of interdepartmental trust and powerful commitment from secretaries. They require careful attention to governance and accountability arrangements and benefit greatly from co-location.

Best practice for joint teams involves aligning systems, understanding cultural differences and being able to work as equals, as well as representing home agency views when necessary. Some best practice tips for joint teams are set out below.

Joint teams: best practice checklist

• *Ensure high level of interdepartmental trust.*

• *Ensure clear governance arrangements for decision making and dispute resolution.*

• *Provide nurturing from executives of home departments.*

• *Maintain clear financial accountabilities.*

• *Select staff carefully for ability to work in a joint problem-solving setting.*

• *Emphasise team building.*

• *Co-locate.*

• *Align knowledge, communications/IT, financial and personnel systems as far as possible.*

• *Have a single business plan with top-level sign-off from partners.*

• *Have a single risk management plan.*

Cross-departmental partnerships: agency arrangements

Agency arrangements involve one agency delivering services on behalf of another or others.

Examples of agency arrangements.

Another form of organisational flexibility is for an existing Australian government department or agency to deliver services on behalf of one or more others.[3] This will typically occur because of an ability to provide a better, less costly or more convenient service.

The Australian Customs Service is a good example of one agency delivering services on behalf of others. In fulfilling its border control role it now provides services on behalf of a range of other Australian government portfolios including: Attorney-General's; Agriculture, Fisheries and Forestry; Environment and Heritage; Health and Ageing; and Immigration and Multicultural and Indigenous Affairs.

A single Australian Customs Service Coastwatch flight over the Barrier Reef and Torres Strait can provide vital data in relation to illegal fishing, pollution events and quarantine breach, as well as attempts at merchandise, wildlife or people smuggling.

Agency services are provided through:

- core platforms (e.g. the Coastwatch assets)

- staffing networks (e.g. presence at all major entry points)

- functions (e.g. screening of merchandise imports and passengers)

- skill sets (e.g. in relation to the development of net-based application and assessment systems, and in detection of offences and their prosecution).

Similarly, the Australian Taxation Office provides services on behalf of a number of other agencies such as IT systems and data sets in relation to the issuing of Australian business numbers.

The use of purchaser–provider arrangements in the social welfare, employment and health sectors is another type of interdepartmental partnership.

The concept of purchaser–provider arrangements was advocated in the 1996 National Commission of Audit[4] to introduce market concepts that would ensure that service delivery suppliers were better focused upon efficiencies and outcomes. This concept can include government contracting with private sector service providers.

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3   It is also possible that the delivery agency might be a private or community sector provider.

4   National Commission of Audit, *Report to the Commonwealth Government*, June 1996, p. 13: 'a purchaser—provider relationship is one in which the purchaser is the party who decides what will be produced, and the provider is the party who delivers the agreed outputs and outcomes. By separating and clarifying these roles, accountability is enhanced, conflicts of interest are minimised…and the principles of contestability can be embedded.'

Policy agencies set standards that providers deliver.

Policy agencies have been able to set out standards of service that a contracted provider will deliver, and then oversee the delivery without being directly involved. This has required clarification of program objectives and increased accountabilities.[5] Major examples include the Job Network and organisations contracted to provide services on behalf of the Department of Family and Community Services (FaCS).

While these providers are sometimes focused on only one portfolio's concerns (and in that sense are not providing a whole of government service), in other relationships they might be delivering a range of government, and sometimes charitable or other, support. While care has to be taken in managing any potential conflicts or cost shifting, this means that the provider can sometimes deliver support that better matches client needs than if they administered only one program.

One-stop shops provide a single point of service.

Centrelink is an example of a government provider which delivers a range of income support and employment services. One-stop shops are a single point of service for clients. One-stop shop concepts were first raised over 25 years ago in the Coombs report[6], and were reflected in the emerging client focus across all portfolios in the 1980s.[7]

One-stop shops aim to meet citizens' demands for seamless delivery.

The one-stop shop concept reappeared in the 1990s. Integration of government services was at the heart of the Centrelink development.[8] In the Prime Minister's speech at Centrelink's launch in 1997, the key issues were consolidation of services and a more human face of government in the income support and employment arena. Centrelink took over major service delivery functions for FaCS, Health and Ageing, Employment and Workplace Relations, and Education, Science and Training. It was structured as a stand-alone agency with governance arrangements being a mix of purchaser–provider and wholly owned subsidiary.

Key features of a one-stop shop focus are:

• common client base

• opportunities for efficiencies (duplication otherwise exists)

• benefits to clients and government by offering a seamless service.

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5 Australian Public Service Commission, *APS Reform* 2003, pp. 131–2, 167.

6 RCAGA, op. cit., appendix Vol. 2, p. 162: The original one-stop shop concepts were advocated based on the North-west One-stop Welfare (NOW) Centre in Coburg, Victoria. The coordinated arrangements between Australian government departments and other levels of government were highlighted as a new way to stimulate devolution of decision making and enhance user satisfaction with government-sourced services. The model was small in its origins and operations. The Coombs report noted its potential in relation to 'experimental organisation structures and non-hierarchical patterns of work'.

7 Australian Public Service Commission, op. cit. p. 141.

8 Institute of Public Administration Australia, *Working together—integrated governance*, IPAA National Research Project undertaken by Success Works, Brisbane, 2002, pp. 25–31.

Where the service provider is a government agency, there is greater potential for its close involvement in policy development processes and for it to reflect otherwise broader government interests in its operational decision making.

Centrelink has pioneered the use of client-centred web-based approaches to service provision. Over time these raise the opportunity to offer virtual one-stop shops without the need to create special agencies, provided that there is the appropriate coordination of business systems, data standards and information bases.

Table 2.4: **Getting the best from an agency arrangement**

	Use an agency arrangement…
…for:	**…where:**
policy development	*Not applicable*
program design and review	*Not applicable—see Taskforce or IDC for preferable alternatives*
program management and service delivery	• engagement in services is medium to long term • agent offers key infrastructure networks or skills • agencies share clients or transactions • agencies' values are compatible
cross-jurisdiction and cross-sector	• there is a high level of trust and willingness to contract out program delivery • there is no disadvantage from loss of separate Australian government agency branding • agencies' values are compatible
crisis management	*Not applicable — see Taskforce or IDC for preferable alternatives*

At the heart of best practice for agency arrangements is the careful definition of the task, agreement on the respective roles and resourcing, attention to legal powers or constraints, adequate training and an effective means for monitoring and managing the arrangement.

Agency arrangements: best practice checklist

- *Clearly define requirements, resources, quality, quantity and role of each partner.*
- *Make formal memorandum of understanding, service-level agreement, or purchaser–provider agreements.*
- *Identify legal requirements and constraints.*
- *Provide appropriate powers or authorisations.*
- *Devise formal process for risk management, performance audit and review of the relationship.*
- *Provide appropriate training and ongoing information support.*
- *Ensure information feedback on program design, trends etc.*
- *Have consistent values and mutual respect among purchasers.*

Special-purpose agencies: frontier agencies

'Frontier agencies' are structures which symbolise to stakeholders a coherent whole of government approach to a contentious and complex issue.

The past eight years have seen the creation of some special-purpose agencies with a whole of government remit outside the normal departmental structures. In some cases their very creation outside the normal departmental structure is intended to symbolise their whole of government status. After a period it is possible to wind back these structures and have them merge with more permanent structures.

The creation of these special-purpose agencies has been facilitated by the amendments of the Public Service and Financial Management Acts to allow for the creation of executive and prescribed agencies respectively. These provisions give the head of the agency effectively the same powers and obligations as the secretary of a department. They also place the agency head in a similar relationship to the responsible minister or ministers.

Some special-purpose agencies have been created outside normal departmental structures to deal with issues that are important, contentious across a range of stakeholders and not yet mature in the way in which they are perceived by the public or managed within government. Their special status is used to symbolise a whole of government approach. They can be thought of as frontier agencies.

Frontier agencies provide expertise, dispassionate advice and program administration on complex issues.

The Australian Greenhouse Office (AGO) is a whole of government special-purpose agency intentionally structured to reassure external stakeholders that it is an expert body, neutral between the contending interests of a range of external stakeholders and dedicated to providing dispassionate advice and excellence in program administration. It is the lead Australian government agency on the complex greenhouse issue which engages the interests of many portfolios, all sectors of the Australian economy, states and regions, other national governments, multi-lateral international organisations and the passionate concerns of many non-government organisations (NGOs). The AGO works to two ministers—the Minister for Environment and Heritage, and the Minister for Industry, Tourism and Resources—and closely with many agencies. It is not, and must not be seen to be, solely aligned with its host portfolio, Environment and Heritage.

The AGO provides the opportunity to develop real depth of skill in a very complex subject and provides a whole of government analytic and factual framework to underpin discussions of policy options at secretarial, ministerial and Cabinet level. By bringing together the major greenhouse programs, it ensures that policy learns from implementation experience and that the total effect of Australia's efforts to constrain emissions can be accounted for.

Another example is the National Oceans Office (NOO) which has responsibility for the development of a comprehensive national oceans policy. This is a quintessential whole of government idea. It is a commitment to putting in place the means to understand and coordinate the interaction between sectoral policies and regulatory mechanisms. It also gathers the scientific and economic knowledge and engages stakeholders in the interest of ecologically sustainable management of Australia's vast ocean jurisdiction. A broad range of stakeholders is involved—the fishing, petroleum, transport and tourism industries, Indigenous peoples, coastal communities, state and local governments, conservationists, a range of NGOs, and recreational fishers and sailors. The range of stakeholders provides scope for controversy and contention.

The NOO was created to manage the process of creating regional marine plans, to coordinate the research and support community consultations, including in particular the National Oceans Advisory Group. It also supports a specialist science advisory body and the policy development processes which advise a ministerial board overseeing the venture. A secretaries' committee—the Oceans Board of Management—provides advice to the NOO and coordinates the advice to the ministerial board.

Again this is a frontier agency with a complex matrix management task in moving forward a whole of government agenda. As with the AGO, it has not only to act in a whole of government manner but to be seen to do so—its separate structure is part of the symbolic message to stakeholders.

TABLE 2.5: **Getting the best from special purpose agencies**

	Use a frontier agency…
…for:	**…where:**
policy development	• there are new complex issues which require more extended effort than a taskforce can provide • there are contentious issues across a range of stakeholders • the symbolism of separate agency is important • there are clear governance arrangements to ensure whole of government approaches
program design and review	• new instruments and measures cut across traditional boundaries • multidisciplinary skills are drawn from other agencies • delivery and program design needs to be tightly aligned for effective outcomes • there are clear governance arrangements to ensure whole of government approaches
program management and service delivery	• mutual support and coherence between programs in a non-mature field are a high priority • there are clear governance arrangements to ensure whole of government approaches
cross-jurisdiction and cross-sector	*Not likely to be applicable*
crisis management	*Not likely to be applicable*

Creating a frontier agency is not without risk. Employees will probably derive from several different home departments, and at first might represent policy views previously in conflict, or will focus on the narrower group of external stakeholders that they dealt with before. A key to the successful creation of a frontier agency is in early planning. Planning should focus on inculcating a new set of values related to the new agency's charter and could encompass physical co-location, single IT and financial systems, and staff development work to develop a new culture and set of values relevant to the new agency's charter. A summary of issues to consider is set out in the best practice checklist.

Matching structures to policy, program and service delivery challenges

The discussion above should aid consideration of which structure might best suit different types of policy, program management, or service delivery work. Table 2.6 summaries the likelihood (using a High, Medium, Low scale) of structural options being suited to the major APS tasks.

TABLE 2.6: **Matrix for matching whole of government structures to tasks**

	Major APS tasks				
Structural options	Policy development	Program design and review	Program management and service delivery	Cross-jurisdiction and cross-sector	Crisis management
Interdepartmental committee	H	M	L	M	H–M
Taskforce	H	H	H	H–M	M–L
Joint team	H–M	H–M	M	M–L	L
Agency arrangements	L	L	H	M–L	L
Frontier agencies	H	H	H	L	L

3 >> CULTURE AND CAPABILITY

CHAPTER FINDINGS

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

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

- 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.

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.

CHAPTER SUMMARY

- Culture and capability can make or break whole of government endeavours.

- Better practice ingredients include:

  – explicit and consistent support from the top for a collegial approach

  – organisational responsiveness to whole of government demands

  – supportive structures

  – the right skill sets and capabilities.

- These issues can be addressed through a range of service-wide, agency and initiative-specific actions.

Introduction

Culture and capability can be 'make or break' factors for effective whole of government work.

Culture and capability critically shape the success of whole of government activities. This is a clear message from experience in Australia and overseas.

Vertical or agency-based approaches are the primary organisational force for the Australian Public Service (APS). The type of portfolio structure now in place allows for a rational and efficient grouping of issues, clarity of focus to support a strong results orientation, and an effective basis for accountability and resource allocation. It also allows for the alignment of culture and skills development to business objectives.

Many of the issues dealt with by APS agencies, however, transcend traditional boundaries. A horizontal overlay is therefore 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.

In addition, government priorities will change over time. Responding by structural redesign is not always practical or appropriate. As Dr Shergold has stressed, a more coordinated and networked approach is called for:

We don't solve problems simply by creating a new bureaucracy. The creation and cessation of departments, and the founding and abolition of statutory bodies and executive agencies, may serve only to redistribute functional responsibilities, creating in the process new demarcations... The easy answer is to be found in coordinating a whole of government approach. It is also the hard solution.[2]

The challenge is to marry horizontal and vertical forms of working.

The challenge is to support what might be called a 'networking or horizontal culture' by creating a service-wide bias towards looking for wider whole of government objectives while maintaining an essentially vertical framework. Supporting such a culture requires systematic attention to underlying incentives and value structures.

Features of such a culture include:

- readiness to think and act across agency boundaries

- effective teamwork

- organisational flexibility

- openness to innovation and creativity

- the ability to capitalise on windows of opportunity, tolerate mistakes and manage risk

- the capacity to build strategic alliances, collaboration and trust

- adaptability to changing circumstances

- persistence

- encouragement of the expression of diverse views, and awareness of different cultures and appreciation of their strengths

- a capacity to balance the tension between short-term and long-term goals

- effective knowledge management.

There can be tensions between collaboration and organisational interests.

For individual APS employees, tensions between horizontal and vertical cultures can create ambiguity when they are involved in interagency forums. Individuals need to represent their agencies. Doing so effectively is an important part of the contest of ideas that leads to good public policy. It can also be important to achieve clarity of management responsibilities and outcomes. Protecting a department's power, clients, employees or influence can be at the expense of the best outcome from a whole of government view.

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2   Dr P Shergold, Secretary, Department of the Prime Minister and Cabinet, 'Two Cheers for the Bureaucracy: Public Service, Political Advice and Network Governance', an address for Australian Public Service Commission, 13 June 2003.

At the same time, this report emphasises that different organisational cultures brought together in whole of government work must be explicitly recognised if they are not to limit the capacity for whole of government objectives.

A whole of government orientation and capacity to work collaboratively does not imply a 'group think' approach. Indeed, the application of diverse perspectives on particular issues is an important element of providing good policy advice to government.

Skills in the creative resolution of conflicting objectives, a willingness and ability to understand the big picture, and an ethical commitment to fair and open dealings between departments are all critical to good whole of government work. Many APS employees will increasingly need these capabilities in balancing departmental and whole of government objectives.

Experience suggests the following ingredients are critical to building whole of government capacity:

- explicit and consistent support from the top for collegial and horizontal approaches

- organisational agility enabling responsiveness to new demands

- structures that support a whole of government approach

- people having the right skill sets and capabilities.

These ingredients require attention at the APS, agency and individual level. The states and territories are also advocating these key ingredients for building whole of government capacity.[3]

Explicit and consistent support from the top for collegial and horizontal approaches

Leadership needs to be both authoritative and collegial.

The task of developing a whole of government response within government and between governments requires both authoritative and collegial leadership committed to team approaches to problem solving, responsive to 'outside' views and driving a performance culture that sets high store on innovative solutions unconstrained by traditional structures or approaches. The same point is consistently highlighted in overseas experience, a recent Canadian report, for example, arguing that:

> Horizontal management demands a reinvented form of leadership—a leadership that supports the evolution of culture as

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3   See, for example, Queensland Government, Office of Public Service Merit and Equity, *Realising the Vision—Governance for the Smart State*, Chapter Seven, Innovative Workforce, 2003 pp. 19–21.

much as a leadership that delivers projects on time and on budget. We need a leadership that marshals the power of influence and persuasion, is exercised through the channels of dialogue, is distributed throughout an organisation, shares credit, and risks transient confusion en route to shared commitment.[4]

Senior APS leaders should model collaborative behaviour.

An obvious contribution that senior APS leaders can make is to articulate the value placed on, and to consistently model, collaborative behaviour. The importance of this role is recognised by the *Public Service Act 1999* in its provision that a core function of the SES is to 'promote co-operation with other Agencies' (s. 35 (2)(b)). Practical strategies that leaders can take include:

- developing and using networks across portfolios and beyond

- encouraging executive teams to identify horizontal issues (perhaps by designating a senior manager to play a lead role in monitoring and challenging the department on such issues)

- taking a government-wide view when proceeding with departmental business and reviewing programs and initiatives

- modelling the behaviour of good collaborative colleagues

- rewarding horizontal achievements

- explicitly rewarding collaborative behaviour

- ensuring that sufficient resources are deployed to support horizontal initiatives

- actively championing or mentoring major whole of government projects.[5]

Embedding the APS Values in agencies will contribute to a service-wide culture of interagency trust and collaboration.

Collaborative and relationship-building skills are also stressed in the Senior Executive Leadership Capability Framework (SELCF).[6] The SELCF sets out a shared understanding of the critical success factors for APS leadership. It identifies the cultivation of productive working relationships as one of the five core criteria for high performance by senior executives. This group should expect to make use of APS-wide mechanisms to promote networking and an appreciation of their broader APS leadership responsibilities. In addition, by embedding the APS Values spelt out in the Public Service Act, senior leaders can contribute to a service-wide culture that supports interagency collaboration and activity.[7]

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4   M Hopkins, C Couture, E Moore, 'Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects', Canadian Centre for Management Development Roundtable on the Management of Horizontal Objectives, 2001, p. 5.

5   See E Lindquist, *Culture, Control or Capacity: Meeting Contemporary Horizontal Challenges in Public Sector Management*, School of Administration, University of Victoria, 2001.

6   The Senior Executive Leadership Capability Framework can be found at <www.apsc.gov.au/selc/index.html>

7   For the role of organisational values in underpinning collaborative and networking behaviour in the public sector, see R Rhodes, 'The Unholy Trinity: hierarchy, contracts and networks', paper to the Australian Public Service Commission's Planning Retreat, June 2003, pp. l2 ff. See also Australian Public Service Commission, *Embedding the APS Values*, 2003.

Agency heads as a group can put a collegial stamp on the culture across the service.

Agency heads, as a collective leadership team, also have a critical role in setting expectations and the cultural tone for the service as a whole. Mechanisms such as portfolio secretaries' meetings and MAC should provide working models of a collegial approach and be a practical and visible expression of the value placed on it. Such mechanisms can also provide a focal point for canvassing issues which would benefit from a cross-agency approach, reviewing experiences of interaction and highlighting good examples.

The newly established Cabinet Implementation Unit in the Department of the Prime Minister and Cabinet will also have an important role in ensuring that whole of government considerations are properly brought to the fore in the implementation of the government's policy agenda.[8]

Organisational agility

Organisational agility means being able to respond quickly and effectively to new demands. Complex problems demand considerable flexibility in the deployment of people and funding and in adjusting functional priorities.

Elements in building such agility include reward and recognition systems and connecting people across agencies.

Reward and recognition

Performance management systems can work against whole of government goals if they only focus on agency priorities.

Formal performance management systems that draw exclusively on agency-specific targets and outcomes can run the risk of reinforcing a silo mentality. Performance agreements and assessment criteria that emphasise collaborative behaviour will support a more networked culture and way of working. As the MAC Report, *Performance Management in the Australian Public Sector*, points out, the manner in which employees perform their job counts as much as what they do.[9]

In practice, most agencies supplement results-oriented performance criteria with some behavioural criteria.[10] However, senior APS employees have identified the strong vertical focus in agencies' reward and recognition systems as a barrier to effective whole of government collaboration.[11] In addition, questions have been raised about the effectiveness of some

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8   See 'A Foundation of Ruined Hopes? Delivering Government Policy', an address by Dr Peter Shergold, Secretary, Department of the Prime Minister and Cabinet, Public Service Commission SES Breakfast Briefing, 15 October 2003 <www.pmc.gov.au>

9   Management Advisory Committee, Performance Management in the Australian Public Service: A strategic framework, 2001, pp. 48–9, <http://www.apsc.gov.au/mac/index.html>

10 See Australian Public Service Commission, *State of the Service Report 2002–03*, Chapter 9, 'Building APS Capability' <www.apsc.gov.au>

11 Interview data collected by the APS Commission for the creation of the Senior Executive Leadership Capability Pathways backs this up. This Senior Executive Leadership Capability Pathways will build on the present Senior Executive Leadership Capability Framework to describe the developmental path for leaders at the executive and senior executive levels of the APS. During the data collection phase of this project, more than 250 individuals were consulted through focus groups and individual interviews.

performance pay systems in contributing to a workplace culture in which individuals work together effectively.[12]

The performance pay arrangements for departmental secretaries emphasise meeting government objectives for their agency in a whole of government context. Similarly, in the UK, secretaries' performance is rated against priorities and targets that cut across departments.

Agencies should ensure that their systems reward the capacity to work across agencies and collaborative behaviour. Views of people from relevant agencies or other stakeholders could inform the appraisal of the most senior employees. Broader recognition strategies should also be used to reinforce collaborative approaches (e.g. publication of good examples of whole of government work).

Good whole of government work should be recognised.

Whole of government success should also be given wider recognition—for example, by incorporating a new category into awards such as the Prime Minister's Awards for Public Sector Excellence.

Connecting people better

Organisational agility will be enhanced where employees have been exposed to different perspectives and organisational cultures where they can see the bigger picture and are alive to different ways of looking at problems and working. Such agility can be fostered through service-wide and agency-based approaches.

Cross-agency learning and leadership development exchanges hosted by the Commission can facilitate collegial behaviour.

The APS Commission hosts a number of cross-agency networks and forums, and learning and leadership development activities. SES orientation training in particular offers an important foundation for the SES leadership cadre in an appreciation of their broader APS leadership responsibilities. In addition, such training provides an important opportunity for cross-fertilisation, information sharing and the development of strong networks. Participation of employees, particularly at the executive and SES levels, should be actively encouraged by agencies.

Agencies with common interests could jointly develop training or networking activities for employees. Placement and mobility options can also be important and should form part of capability and succession management strategies.

Looking at the senior ranks, SES mobility is fairly good overall, particularly compared with overseas experience (e.g. more than 60 per cent have worked in more than one portfolio). Succession management at the Band 3 level incorporates

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12 See the National Resource Management Team case study.

breadth of experience as part of the considerations. Networking opportunities can complement these experiences for senior people and more widely for employees, many of whom will not have moved through a number of APS portfolios.

Interagency mobility and temporary placements can be used to expose individuals to a range of cultures.

Agencies should consider whether, in the context of their business objectives, they have a sufficient pool of employees with an exposure to a range of agency environments and cultures. There might be value in making such exposure available as part of preparation for whole of government work, including temporary interchanges between agencies and/or participation in cross-agency projects. Relevant here is the recent initiative of the Department of the Prime Minister and Cabinet in seeking high-potential executive-level employees for secondment to work on assignment for short periods. There is also a role for mobility outside the APS to give employees experience working with stakeholders involved in whole of government activities.

Resolving cultural differences

Cultural differences within joined-up teams need to be worked through.

A number of the case studies (appendix 2) identified problems in a whole of government exercise due to the mix of agency cultures, notably the National Illicit Drugs Strategy, the Australian Greenhouse Office, and the Sydney 2000 Olympic Games case studies.

Team building does not happen automatically.

Initiators of whole of government exercises need to be alert to the impact of cultural differences. Project leaders should consider seeking assistance with team building, either as part of a joint training process or through the assistance of specialist support. Case studies suggest that effective teams were those that spent time on constructive relationships and team building.

Interagency working relationships need time to develop, particularly where those involved are not brought together physically. Skills can, however, be built that make people more willing to trust each other. For example, the case study of the COAG Indigenous Trials at Wadeye reported that cultural differences became an asset when agencies built on differences to help each other. Australian government field employees involved in the Wadeye project hold barbeques once a month as a networking mechanism to exchange information.

The Sustainable Regions case study participants pointed to the potential usefulness of a seminar series in a 'hypotheticals' format and of looking at whole of government ways of working together, including international experience.

Supportive structures

Whole of government structures largely depend on supportive intra-agency arrangements.

Flexibility in deploying resources

There should be arrangements to provide flexible approaches to staffing and deployment, and mobility into and out of project teams.

Flexibility in resource deployment will be important for responsiveness to emerging needs and priorities. Being clear about the relationship between work on whole of government initiatives and in core areas of agencies will be vital, including arrangements for employee involvement and movement.

From an implementation point of view it will also be critical, once the right people are in the right jobs, to give them the necessary flexibility and authority to deliver integration, particularly for whole of government service delivery:

People on the ground should have the necessary authority and flexibility to act.

> My own experience…was that a Commonwealth policy to directly promote regional development required clout on the ground, to gain the confidence of key local leaders and to influence government agencies at any and all of the three levels of government. Similarly, my experience in Aboriginal health was that the coordinated care trials required strong local leadership that had the confidence and support of the Commonwealth and State Departments, as well as those of the local communities.[13]

Roles and responsibilities in whole of government activity need to be clear. This can be assisted by agencies having procedures and accountability arrangements in place, covering such issues as record keeping, briefing of ministers and reporting back to the agency. In response to a survey of 89 APS agencies for the *State of the Service Report 2002–03*, ten agencies (11%) reported having or developing policies to guide employees' participation in whole of government work such as on interdepartmental committees or taskforces. These policies covered such aspects as: ensuring only employees with the relevant skills, knowledge and authority participate in whole of government forums; having procedures for record keeping and for reporting; ensuring appropriate authority for views expressed on the agency's behalf; and having procedures for ongoing briefing of involved ministers.

Through such approaches, vertical accountability can be married with any authority specifically delegated to agency employees engaged in whole of government interactions.

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13 A Podger, 'Whole of government innovations and challenges', keynote address to Innovations and Impacts Seminar, Institute of Public Administration Australian National Conference, Adelaide. Nov' 2002.

Getting the right capabilities

Agencies should develop whole of government capabilities.

Capabilities are critical to effective whole of government work—both in terms of leadership and the range of technical and implementation skills called for to address complex policy and service delivery issues. Again this is a consistent message from experience here and overseas.

Using the Senior Executive Leadership Capability Framework, qualities that will be particularly looked for include the capacity to:

- inspire a sense of purpose and direction to align disparate views, harness people toward a common goal, articulate what a whole of government approach looks like, and reinforce the need for thinking through example and by rewarding behaviours that are consistent with these aims

- focus strategically to see the big picture and be able to translate that vision into actions and responsibilities, engage in holistic thinking and think beyond the boundaries, conceptualise broad outcomes, and understand areas of commonality

- facilitate cooperation and partnerships, build commitment to a shared agenda, manage and share information, manage change, engage stakeholders, and resolve conflict.

A range of technical and implementation skills is also vital for whole of government work to succeed, including in:

- relationship management

- project, program and contract management

- negotiation and mediation

- entrepreneurialism

- change and conflict management

- communication and marketing

- records management.

These capabilities were recently confirmed in discussions held with more than 250 individuals as part of a recent APS Commission project to look at senior executive leadership capability pathways.

Managing information well is also important. Relevant skills range from document management through to strategic information management. If data sharing is occurring across agencies, data collection, filing and recovery need to be intuitive and easily discoverable.

Formal interdepartmental committee structures

Formal committee structures make up a particular subset of whole of government activity. In recent research conducted for the APS Commission, a focus group drawn from a range of agencies was asked to identify the critical capabilities and behaviours for a specific environment. Table [3.1] provides a capability map specifically derived from this process for formal interdepartmental committee structures undertaking whole of government work.

Getting the capabilities in place

Making sure these capabilities are in place needs to be a theme in workforce planning across the APS, including through recruitment and induction, and learning and development activities.

Recruitment and induction

Agencies and the APS Commission should ensure that there is a focus on whole of government and networking skills in recruitment and induction.

Recruitment and induction should encourage an orientation towards collegiality. This might include relevant selection criteria (such as good interpersonal skills at APS levels and the relevant leadership capabilities at senior levels), as well as recruitment processes such as assessment centres which test these skills.

Whole of government opportunities have the potential to be a positive attraction factor for graduate recruitment and should be part of graduate programs. Research indicates, for example, that graduate recruits (in the APS) responded positively to the ability to move between departments.

Learning and development

Whole of government skills should be integrated into APS and agency development programs and opportunities.

There is scope to foster development of relevant capabilities through:

- integrating skills and capability training in existing service-wide programs
- initiating programs to assist individuals to prepare for direct involvement in specific whole of government activities and projects
- making available workplace support for current participants in specific whole of government projects.

Whole of government skills and capabilities should be integrated into relevant service and agency learning and leadership development programs.

TABLE 1: Interdepartmental committees: key capabilities and behaviour

SHAPES STRATEGIC THINKING *Focuses strategically*	SHAPES STRATEGIC THINKING *Shows judgement, intelligence and commonsense*	ACHIEVES RESULTS *Ensures closure and delivers on intended results*	CULTIVATES PRODUCTIVE WORKING RELATIONSHIPS *Facilitates cooperation and partnerships*
• Focuses on the longer-term priorities • Lifts the focus beyond the IDC task to consider the broadest range of issues • Takes steps to involve people beyond portfolio boundaries	• Understands areas of commonality and links them to the bigger picture • Engages in holistic thinking, and looks beyond the boundaries of own responsibilities • Understands the possibilities, given budgetary and resource constraints • Scopes problems effectively, and identifies and analyses key issues and presents a solution • Engages in lateral problem solving, and avoids being bound by precedent or established structures • Thinks through a variety of solutions and understands the risks involved	• Identifies clear accountabilities and ensures they are communicated • Focuses on implementation, and identifies practical actions to be taken • Understands the desired outcomes, and focuses on the key deliverables • Drives the project to achieve the desired outcome • Evaluates the progress of projects and measures success when complete	• Engages with others on an ongoing basis • Builds a common agenda and common alliances • Seeks input from others, and provides the opportunity for others to contribute • Identifies and involves all stakeholders (both inside and outside the interdepartmental committee) • Ensures all points of view are expressed • Recognises the potential for conflict and resolves it when required

EXEMPLIFIES PERSONAL DRIVE AND INTEGRITY *Engages with risk and shows personal courage*	EXEMPLIFIES PERSONAL DRIVE AND INTEGRITY *Commits to action*	COMMUNICATES WITH INFLUENCE *Listens, understands and adapts to audience*	COMMUNICATES WITH INFLUENCE *Negotiates persuasively*
• Challenges misperceptions and misunderstandings • Adopts a frank and honest stance by communicating own agenda • Demonstrates a preparedness to defend own position, even when it is not popular	• Creates a sense of urgency to achieve the desired outcome • Gets involved and accepts responsibility with enthusiasm • Galvanises others to act	• Listens to others, and confirms understanding by reflecting back the key message • Uses the language and terminology of the group	• Recognises the key issues being negotiated, and identifies the desired outcome • Understands own negotiating position, and anticipates the position of other parties • Avoids over-compromise, and seeks the best outcome in negotiations

Agency heads may see value in having in place capability development plans to support whole of government activities. Capability development plans provide a systematic overview of the capabilities required by an organisation and the means by which that requirement is to be met.

Training for relevant capabilities, and tailored courses for direct involvement in whole of government activities should also be made part of the APS Commission's learning and development program. The commission could also facilitate tailor-made training courses for agencies.

The establishment of the Australian and New Zealand School of Government (ANZSOG) creates an opportunity to build a culture that is supportive of whole of government activities, including across governments. Its residential program will provide a basis for networking and collaboration among senior leaders. There is also scope to support whole of government considerations in the curriculum for the Executive Masters of Public Administration in addition to the Executive Fellows Program. ANZSOG could further explore the case studies developed for this report to provide practical examples of whole of government capabilities in the curriculum.

Agencies should ensure that relevant employees have access to skills development in the range of leadership and implementation skills required.

Collaboration between federal and state public service commissioners should be fostered to assist in developing cross-jurisdictional outlooks, networking skills and contacts.

Workplace support

There would be value in practical guides on whole of government projects.

To assist those involved in whole of government activity there would be value in providing opportunities to share experience and lessons learnt and developing practical guidance for participants in such projects.

Participants in a number of case studies encouraged the provision of such assistance as a way of preventing others from having to reinvent the wheel.

There can be a role for external assistance.

Where there is a need for more tailored and sophisticated workplace support, a panel of learning and development consultants could be made available through the APS Commission. The panel could offer participants in whole of government projects coaching and support such as in team building or conflict resolution. Case studies, for example, called for 'support [for] cultural change and cross-agency subject and values awareness training up front as part of team induction'. This should be explored by the APS Commission in consultation with the newly established Cabinet Implementation Unit.

4 >> INFORMATION MANAGEMENT AND INFRASTRUCTURE

CHAPTER FINDINGS

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.

CHAPTER SUMMARY

- Information sharing plays a critical role in generating better decision making and program delivery. The information that agencies collect, analyse and store can be better connected through more structured information management and the development of clusters of shared information.

- The IMSC has a role to play in considering and developing shared infrastructure, architecture and protocols to facilitate both whole of government and multi-agency activities.

- There are many examples of agencies working to improve information infrastructure and their capacity to manage, share and integrate information.

- Agencies can:
  – create a culture that emphasises the value of information management and sharing
  – establish business protocols, procedures and standards
  – develop the skills, tools and practices to support new procedures
  – manage the tension arising from the integration of their priorities with broader whole of government priorities.

One of the things you find in government is that no amount of goodwill is enough, no amount of good policy direction is enough, unless you have accurate information at your disposal. (The Hon. John Howard, MP, Prime Minister, at the launch of the Australian Research Alliance for Children and Youth, 2002.)

Introduction

Providing information is a key government function.

Providing information is a key government function. Information is essential to enable agencies to produce the government's expected outcomes and to meet community expectations. Increasingly, effective sharing of information is critical to the success of whole of government outcomes. Information and communications technology (ICT) underpins and enables improved information sharing and information management approaches by agencies.

Managing information in a whole of government way

The need to share information among agencies or across the whole of government broadly falls into four categories:

- *dealing with an emergency*—the need to pull together all available information about a specific issue such as responding to the Bali bombing

- *integrating information holdings*—the need to inform policy development and foster effective policy outcomes by acquiring, integrating and analysing available information holdings across government agencies—for example, the National Illicit Drugs Strategy and Natural Resource Management case studies (appendix 2)

- *integrated service delivery*—the need to provide services across agencies in a seamless way—for example, Natural Resource Management and Council of Australian Governments (COAG) Indigenous Trials case studies (appendix 2) and cooperation between Centrelink and the Australian Taxation Office to streamline issuing of tax file numbers

- *managing areas of joint activity*—the need to encourage sharing of information within the Australian Government and across jurisdictions or with the private sector.

Building capacity for information sharing must be driven by an agency's business requirements…

An agency's approach to the management of its information holdings must be driven by its business requirements. However, this needs to be done in a way that gives due recognition to whole of government business requirements, as well as agency-specific requirements. Agencies must manage the tension between the integration of these priorities. Understanding when information needs to be shared and establishing agreed frameworks and protocols are essential to create this balance.

…as in managing the tension between agency and wider priorities.

As whole of government approaches become more common in the way agencies conduct their business, information sharing plays a critical role in generating better decision making and program delivery. Sharing information can also result in more empowered and efficient consumers of government services, which in turn can lead to better informed consumers more likely to participate in the policy development process. This leads to a heightened requirement for improved system interoperability between agencies around shared infrastructure, information standards and protocols and the reuse of existing data.

Implementing improved system interoperability will occur at varying rates across agencies, reflecting the differences in agency imperatives. Business cases that support agency technology investments need to recognise this.

Increasingly, implementing public policy means agencies need to understand broad government objectives and be committed to their effective implementation, regardless of agency boundaries.

Joint agency activities call on different players to come together for different projects. The capacity to share information across systems needs to be available to all agencies to improve productivity and ease of data transfer and exchanges.[1]

Systems unable to exchange financial and performance information significantly reduce the effectiveness of whole of government management. A recent survey by the Department of Finance and Administration (Finance) identified 17 primary financial management information systems (FMIS) currently being used across government.

Common or compatible systems will require significant investment.

Compatible (e.g. data definition standards such as xml) or common systems are predicted to be some time away and will involve significant capital investment. Chapter 5 considers two approaches to resolving this constraint in the short term. Finance could develop and maintain standard templates for FMISs and budgetary model specifications, as well as facilitate development of best practice principles and the sharing of knowledge and good practice between agencies.

The development of information technology has dramatically increased the quantity of information available in digital form. This has resulted in a proliferation of uses of personal information which has major implications for the privacy of individuals.

The protection of personal information is an important consideration for agencies involved in information sharing.

The Federal Privacy Commissioner has responsibility under the *Privacy Act 1988* to ensure the protection of personal information including information handled by Australian government agencies. Agencies have an obligation to comply with the 11 information privacy principles; and the commissioner has issued guidelines specifically for Australian government agencies about websites, workplace email, web browsing and privacy. These principles and guidelines need to be taken into account when dealing with information sharing in a whole of government environment.[2]

Information sharing

Information sharing tends to be ad hoc or within individual programs.

At present, information sharing occurs mainly within individual programs and on an ad hoc basis through individual employees. Structured information exchanges beyond identified projects or formal bipartite or tripartite arrangements are uncommon.

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1   The Natural Resource Management case study (appendix 2) highlights that the coming together of two departments to deliver a joint program can present significant logistical challenges. At the outset there was no interoperability between the systems of the Department of Environment and Heritage and the Department of Agriculture, Fisheries and Forestry, including finance and knowledge management. These systems could not talk to one another to transfer and share data. Slowly these barriers are being overcome as the executive of both departments is committed to the development of interoperable systems. A lesson from this case study is that joint activity would benefit from the availability of greater levels of interoperability at the commencement of projects. This was not possible in this case because of the tight timeframes around establishing the joint team. However, this lesson may inform agencies sourcing new systems and upgrading existing systems.

2   The Office of the Federal Privacy Commissioner web page is <www.privacy.gov.au>. The Office has been established to promote an Australian culture that respects privacy.

More often, 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.

The membership and nature of clusters will evolve over time. It is important that an overall framework be developed to ensure that the standards and protocols developed in one cluster do not impede data sharing in the future with other clusters or groups.

Technical barriers to information sharing are being minimised through ICT advances.

Fortunately, the technical barriers to information sharing are continually being minimised through advances in ICT. This trend can be expected to continue. Faster and cheaper computer hardware and communications networks make it much easier to share information even from remote sites and just as the demands of e-business led to huge investments in development of tools and standards which support easier integration of systems within and across enterprises, whole of government information sharing can make productive use of the existing technical capability.

Standards and protocols

Industry standards and protocols are required to facilitate data sharing between agencies.

As the need for cross-agency work grows, agencies are placing greater emphasis on whole of government standards and protocols for information exchange. Creating policies, guidelines, standards and procedures (frameworks) will improve trust, confidence and accountability across the network of participants.

Agencies are showing leadership in this area and have recently agreed on the Technical Interoperability Framework, developed under the auspices of the IMSC, which facilitates better exchange of data through agreed standards and protocols.

Agencies recognise that whole of government standards and protocols need to accommodate the increasing role of the private sector in public sector business processes. Industry standards or best practice guides should be implemented where possible. Where there are no standards, government agencies should work with the relevant private sector parties to agree on best practice and evolve appropriate Australian standards.

Data sharing

Agencies are focussing on three key priorities, shared infrastructure, common standards and reuse of existing data.

There are three major issues facing agencies that need to share data. These centre around actions to improve the conceptual structures and organisation of information and systems (architecture) to achieve:

- shared infrastructure (actual or virtual)

- common standards and protocols that allow information to be more easily exchanged between agencies' information systems

- better information on, and reuse of, existing data sources to reduce duplication.

Potential exists for reuse of existing government information sources.

Existing data collections are underused. When an agency wants to answer a question it often initiates a new specific data collection exercise. There is an immense, untapped potential for the reuse of existing information sources.

Cost reduction from reusing existing data is one benefit. Common standards and reuse of existing data sources improves timeliness, consistency and quality of government responses, quality of service delivery, and avoids the cost of recreating information. Decision making has the potential to be improved through the availability of a wider range of information.

An example of data sharing is the creation of a National Statistical Service.

To support data sharing, the Australian Bureau of Statistics (ABS) is developing the concept of the National Statistical Service (NSS). Its aim is to:

- increase the availability, accessibility and usability of information derived from key administrative and survey data sets by applying sound statistical and data management principles and practices

- forge statistical partnerships to share knowledge and expertise.

An important component of the NSS will be a Directory of Statistical Sources accessible through the ABS website. It will enable all relevant ABS and non-ABS statistical collections to be identified together with appropriate metadata and details of how to access information with electronic links where possible. In essence, this will be a portal to government statistical sources.

It would be good practice if agencies ensured that relevant statistical sources were listed in the directory.

Balanced investments

Agencies need to achieve a balance in their investments.

Creating obligations to share data introduces new and potentially expensive requirements on agencies because of the need to integrate systems development in the short to medium term. It is important that agencies achieve a balance in their information management investment. Over investing in information management systems—hardware, software and processes (information infrastructure)—wastes resources.

However, in the longer term, under investing leads to lower productivity, duplication, reduced integration and frustration.

Financial considerations

There is a considerable entry price for joint activity and networked information management.

There is a considerable entry price for joint activity and networked information management across agencies. Expenditure on information infrastructure is a capital investment. Returns accrue and efficiencies are generated over differing timeframes. The costs and benefits of shared infrastructure do not fall evenly across agencies and may fall to individuals or the private sector. Lead agencies often pay a price for being the first mover. The benefits arising through the introduction of these new systems may accrue to other agencies or other parts of the economy.

These considerations underpin the importance of rigorous business cases for technology investments. There needs to be better analysis of the demand, costs and benefits that would result from sharing needs. Existing investment models also need refinement to take better account of these complexities.

Current information management practices

Agencies are already improving information sharing.

Pressure for agencies to share information is both immediate and longer term. Managing for different rates of adoption among agencies is critical. The challenge is to adopt approaches that meet agencies' immediate business priorities, but do not close off options to pursue joint activity in the future.

The IMSC, a subcommittee of the Management Advisory Committee (MAC), was established in November 2002. The committee considers and proposes development strategies for shared infrastructure, architectures and protocols necessary to facilitate both whole of government and multi-agency activities.

Examples of agencies working to improve information infrastructure…

…development of information plans

There are many examples of agencies working to improve information infrastructure and their capacity to manage, share and integrate information:

- **Information Development Plans** that identify information needs, data sources and priority areas for improved data are in place or are being developed for various fields of statistics by the ABS, the Australian Institute of Health and Welfare, and others. They guide the development of national information and reflect an increasing demand for access to quality data on which to base discussion and decision making. The plans provide a framework for the systematic improvement, integration and wider use of data sources and enable agencies to have a greater shared awareness of the environment in which they operate.

…creation of networks to share data	• **The Australian Research Alliance for Children and Youth is promoting the need for a 'data network'** to share information across a wide range of primary research bodies. The data network will consist of the technical and organisational frameworks for stakeholders to share data. This framework will allow organisations involved (including several government agencies) to provide networked access to their databases.
…multilateral agreements for information development	• **National Information Agreements in the health, community services and housing assistance sectors** have been in operation for many years. They are formal, multilateral agreements between Australian, state and territory government authorities and national statistical agencies, and provide the framework for a cooperative approach to national information development. The agreements facilitate more reliable, timely and consistent national information and contribute to the efficient provision of more appropriate and improved services and outcomes for the Australian community.
…a single entry to standardised data	• **Window on Women**, <www.windowonwomen.gov.au> is a unique, single reference point designed to provide free access to integrated statistical data about women's needs and circumstances through a women's data warehouse facility. This website, operated by the Department of the Prime Minister and Cabinet, is an example of an agency recognising the public value in government statistical collections and making them available to the public to improve its capacity to respond to the needs of Australian women.
…clarity around privacy	• **National Health Privacy Code** is an example of providing more clarity and rigour concerning the privacy implications of information sharing. The code continues to respect the principle of confidentiality. At the same time it introduces a broader set of rules to cover the exchange of individual health information on a wider scale between hospitals, pharmacists, other health providers, health researchers, law enforcement agencies, government departments and individuals.
…and leadership on governance frameworks.	• **The Department of Environment and Heritage (DEH)/ Department of Agriculture Fisheries and Forestry (DAFF) Joint Information Management Project** is supported by a governance body, the Information Technology Joint Steering Committee. The committee is chaired jointly by the secretaries of DEH and DAFF. The role of the committee is to provide leadership and a governance framework to facilitate interoperability between the departments' information management and IT systems.

Initiatives in cross-agency information management, such as those outlined above, highlight that common standards and protocols are an important prerequisite for underpinning more strategic cross-agency and program initiatives.

Meeting the needs for whole of government information

Information management is an enabler not a solution.

Information management and sharing is about enabling informed decision making and is not about enforcing standards or providing the solution to a problem. The following suggestions are designed to improve whole of government information management in the APS.

The scale of initiatives that agencies introduce vary significantly, depending on individual business requirements. Despite variations in scale, the case studies in this report highlight some basic best practice approaches agencies can adopt, such as: identify information needs early in a project, form clusters to manage information sharing between agencies, and use repositories of information and shared workspaces to improve cross-agency awareness.

Comprehensive indexes and smarter use of directories of government information sources will enhance APS employees' ability to have information at their fingertips. This can be further supported by protocols about how information is collected, stored, discovered and reused. These protocols should be developed with a view to extending the capacity to share data. This approach needs to be supported by a culture of continuous improvement in those agencies responsible for data and information content to ensure the highest standards of information management are maintained.

The case studies highlight steps that can be taken immediately to improve cross-agency information sharing, including planning to share information and understanding the sources of information. These and other steps are discussed below.

Plan to share information

Identify information, technology and infrastructure needs early.

The case studies (appendix 2) on the National Illicit Drugs Strategy, *i*consult, Australian Greenhouse Office and Australians Working Together all highlight that information, technology and infrastructure requirements proceed better when identified early and properly planned.

Adopt whole of government information principles

Information management principles should be developed to promote a culture of reusing existing information within government. These principles may need to be tailored to meet agencies' specific requirements such as high-level security. Principles could include:

Information principles promote a culture of reusing existing information.

- information should be available to be shared by others who have an appropriate business requirement

- data should be collected in a consistent manner and should be transferable across organisations and be reusable ('create once, use many times') while conforming to privacy provisions and security standards

- standardised data management practices should be used where possible in order to share and improve access to data and information

- expenditure on information management should be treated as an investment, not a liability

- data collected should be timely, relevant, accurate and cost-effective

- agencies should look to provide a net social benefit from their information holdings

- people should understand the value and knowledge that can be generated from the information they use, and the cost of generating that information

- people have both information rights and responsibilities when they manage and protect information.

Adopt protocols for information shared across public and private sectors

Increasingly, the private sector participates in government policy development, program administration or service delivery.

For example, a peak non-government organisation was involved in the policy formulation and program design of the National Illicit Drugs Strategy. Local Indigenous communities were involved in the development of programs and services in the COAG Indigenous Trials. Private providers participate in delivering workplace services through Job Network.

Similarly, the growing phenomenon of private agents providing personalised advice or services to citizens in place of, or on behalf of, government has implications for access to, and use

of, data held in a non-government environment. Centrelink's agents who are employed locally in remote communities are an example.

Information sharing with stakeholders can inform good business discussions and good management of government grants and programs in partnership with regions and communities.

Public–private interaction requires interoperable information systems.

Public–private interaction requires information systems that are interoperable and that allow for information to be used in ways that remain transparent. However, sharing information outside the public sector has risks. In particular, accepted standards of privacy or intellectual property must not be, or perceived to be, compromised.

Establish rules that govern information and knowledge sharing

Laws and rules for information sharing already exist.

Laws and rules apply equally in times of normal business, as well as crisis, and are a necessary part of the management of information to protect the interests of individuals, as well as to ensure accountability and transparency of government activities. This is reinforced in Architecture Principle Number 5 of the MAC report, *Australian Government Use of Information and Communications Technology*, which states: 'ICT systems must be implemented in compliance with government security, confidentiality and privacy policies and laws. Information must be protected against unauthorised access, denial of service and both intentional and accidental modification.'[3]

The Bali Crisis case study highlighted the importance attached to these rules by government agencies, and demonstrated that these rules cannot be bypassed in times of crisis. The Privacy Act was an important consideration in the response to the Bali crisis. The Act prescribes rules for the collection, use, transfer and reuse of personal information. It also addresses circumstances that may allow exemptions from those rules. In the case of the Bali bombing, interpretation of the provisions of the Privacy Act differed between the agencies responding to the crisis.

The case study demonstrated the importance of sound and consistent understanding and interpretation among agencies of the rules governing information sharing. This is particularly important where the parties—government, individuals, businesses or community groups—expect rapid and well-founded responses.

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3   Management Advisory Committee, *Australian Government Use of Information and Communications Technology: A New Governance and Investment Framework*, Commonwealth of Australia, 2002.

Establish clusters to improve information sharing, better responsiveness and better decision making

Forming and operating within clusters can optimise information sharing.

Agencies that share similar policy focuses, processes or client groups can benefit by coming together to refine common data standards to support aggregation and reuse of information.

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.

Forming clusters (a group of individuals or organisations interested in a particular issue) is a way of managing information relationships between agencies. The Australian Government's Business Entry Point[4] (BEP) for business information and transactions, Health Connect for health data and Australians Working Together for welfare data, are all examples of communities of interest that could form a cluster. An agency may be a member of more than one such cluster.

The Spatial Information Council (formerly the Australian New Zealand Land Information Council), which draws together members from Geoscience Australia, the New Zealand Government and each of the state and territory governments, is an example of how a cluster of interest could form around geospatial information management. Another example of a cluster is the coming together of federal and state health data collections (coordinated by the National Health Information Group) to agree on basic data standards.

The Australian Taxation Office's Individual Auto Registration project aims to extend to Centrelink and other clients the facility to apply for tax file numbers (TFNs) online. This will provide a faster, more efficient service to those applying for a TFN through a Centrelink web interface. This project reinforces the importance of forming clusters to support aggregation of data and reuse of information.

Create a single reference point for whole of government information

Single sources should be used more to provide whole of government information.

Approaches to improve cross-agency information sharing should be communicated to agencies through a whole of government web presence.

Material should be expanded over time to include whole of government best practice guides, literature guide, tools and

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4 The Business Entry Point is funded by the Australian Government with support of the state and territory governments. It is an online resource for the Australian business community and provides a wide range of services and information to allow business to comply with government requirements. It can be found at: <http://www.bep.gov.au>

templates on information sharing. It should also link to other resources such as the Government Online Directory and the Interoperability Technical Framework.

The IMSC, in conjunction with key agencies, should examine the feasibility and costs of:

- piloting a self-service creation of shared workspaces to enable real-time communication on a secure web based workspace

- helping agencies find off-the-shelf products and software that support shared workspaces.

Similar approaches have been undertaken across Australia. For example, The Australian Government Information Management Office (AGIMO)[5] coordinates best practice checklists for information management.

Extend the role for the Information Management Strategy Committee

Managing the requirements for information sharing in a federated public sector is complex. The case studies demonstrate that inadequate protocols and procedures and the lack of a supportive culture can inhibit the flow of information among agencies.

Improving the capacity for information sharing requires agency-based information systems to be able to interact with each other. The challenges are as much organisational and cultural as they are technical.

AGIMO and the Chief Information Officer Committee play a critical role in supporting both agencies and the IMSC in meeting these challenges.

Adopt the concept of 'create once, use many times'

Create once, use many times.

Agencies are increasingly drawing on content from each other to advise on government priorities and meet the expectations of individuals and businesses. Practical adoption of the concept 'create once, use many times' will provide a basis for better information sharing for whole of government requirements.

Use a single authoritative source when creating data.

One way to ensure the reliability and currency of the information is to use a single authoritative source, rather than recreate information across multiple platforms. Individuals have different expectations of information that may be derived from a single source. For example, Tax Office business

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5   The AGIMO was created in March 2004 to focus on promoting and coordinating the use of new information and communications technology for the delivery of Australian government programs and services. It takes over some functions previously carried out by the National Office for the Information Economy (NOIE), including leadership and management of ICT and internet projects that affect whole of government or multiple agencies.

customers are likely to require more information on GST than individuals. Duplication of information across sites for different audiences (and resulting problems such as poor maintenance, inconsistent advice and inaccuracy) should be eliminated.

Create and maintain data so it can be used by other agencies.

The 'create once, use many times' concept means the agency with prime responsibility needs to create and maintain information so it can be used by other agencies. It does not necessitate the capture or storage of data at a single location— rather it implies that information may be sourced from the lead agency, subject to the appropriate trust, privacy and security safeguards being in place.

An example of 'create once, use many times' is the Department of Education, Science and Training (DEST), website <www.dest.gov.au> and the <www.education.gov.au> portal. The portal focuses on the needs of education users (students and parents), educators or professionals (school, vocational, higher, adult and community education), policy makers, employers and industry. The DEST website has some customers in common with the portal (who may require greater detail on the information) but also caters for a broader audience that may include business, government and researchers interested in education, as well as science and training. Updating the content once can ensure changes are reflected on both sites. The level of detail pulled from the single source onto each website can differ, to suit each site's users.

Another example is the BEP 'transaction manager', a tool which allows businesses and individuals to create information once and use it many times. It has been developed to allow users to discover, manage and complete online transactions with federal, state/territory and local government agencies through access to over 4000 government forms. To facilitate users' completion of the form and to reduce time-consuming and duplicative paperwork, the transaction manager allows users to store their multiple personal and business details in profiles. These profiles automatically pre-fill and complete online transaction forms as the user accesses them.

Improve access to, and discovery of, information within government

Agencies wanting to share information need to know what sources of information are available. This is made difficult by the lack of comprehensive indexes of government data and information sources. Historically, this knowledge has tended to be gleaned from informal networks, which can produce inconsistent and inefficient results.

Directories enhance easy access to government.

Past attempts to link government data through centralised resources have led to small advances in access to, and discovery of, information. The capability to have information at one's fingertips is likely to be significantly improved through smarter use of directories, helped by technology.

Agencies should manage their data in a consistent framework

Manage information so that it can be used later by others.

An agency creates information without necessarily knowing how it might be used in the future. This places a significant responsibility on agencies to collect and store information and manage it in a way that enables it to be accessed by others, with appropriate authorisation, at a later date. This will involve:

- managing changes to the data in a way that is sensitive to other major users

- agreeing on standards and protocols for information access and integration

- enabling transfer of data and information between agency information management systems

- providing the capacity to find relevant information resources created by others

- undertaking regular inventories and archival work

- agreeing to protocols to safeguard the access of information against misuse.

To help with this, data should be held separate from the applications or systems that use the data. This separation allows the data to be used for other business needs that were not anticipated.

Include consideration of information needs in business and project plans

Include information needs in project and business plans.

Sound business planning incorporates the role of technology. The capacity to apply technology to strengthen information management across the APS is a common lesson in the National Illicit Drugs Strategy, *i*consult, Australian Greenhouse Office and Australians Working Together case studies (appendix 2).

These studies also highlight the benefits of identifying and planning for information, technology and infrastructure needs early in the project. Protocols to assist agencies with information sharing should include security and privacy aspects.

Use collaborative workspaces and tools for information management

Collaborative workspaces can improve information sharing and real-time communication.

Shared workspaces on the internet can improve cross-agency awareness and enable real-time communication. For example, the development of this report was supported by a whole of government team that exchanged work and ideas through a secure web-based workspace. Shared workspaces such as this are not common at present.

Engender a supportive culture and improved information management skills

Adequate understanding and skills are necessary to support information sharing.

The *i*consult case study notes that considerable investment goes into information collection, but this does not translate into information sharing unless there is trust. The National Illicit Drugs Strategy case study also highlights that agency culture can undermine willingness to share information.

Agencies need to ensure that their employees have the necessary level of understanding and skills to support the application of information management practices and technology to government business.

The behaviours and skills of APS employees should reflect the increasing importance of information management and technology to government. For instance:

- Policy areas need to understand better and appreciate how information management and technology can help inform policy.

- Program designers and project managers need to be able to determine information and technology needs up-front. They need to assess where technology can improve business processes and communications with stakeholders.

- Managers need to be able to identify strategic opportunities and risks for improving government operations through the better use of information and technology.

- Managers need to understand information management in the same way they need to understand and apply human resource and fiscal management.

Adopting the above suggestions will go a long way to ensuring the APS maximises its business return on its information resources.

5 >> BUDGET AND ACCOUNTABILITY FRAMEWORK

CHAPTER FINDINGS

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.

CHAPTER SUMMARY

- The current outcomes and outputs budget framework provides flexibility which can accommodate the appropriation of funds for whole of government outcomes.

- To date, whole of government measures have been accommodated within the existing outcomes framework of agencies because of synergies with related programs.

- It is, however, difficult to identify resourcing and performance of whole of government measures from year to year through current budget documentation.

- Other approaches to the appropriation and reporting of major whole of government initiatives already available within the current framework can assist transparency.

- Agencies should consult the Department of Finance and Administration for early advice concerning possible approaches for consideration by ministers.

Introduction

Resourcing whole of government work.

The previous chapters presented culture, structures and information infrastructure as enablers that support more effective whole of government work. This chapter discusses how we can best support and enhance whole of government work through the way it is resourced. It details the existing budget framework and the flexibilities it provides for whole of government work.

The introduction of accrual budgeting in 1999 improved the transparency of the Australian Government's financial position. The outcomes and outputs framework provides ministers and agencies with flexibility in determining how the appropriation of funding should be organised according to particular outcomes.

The outputs and outcomes framework provides flexibility in determining appropriation of funds.

All agencies and authorities in the general government sector are funded in accordance with these outcomes. The parliament appropriates funds against a series of outcomes. Outcomes are the results or impacts which the Australian Government wishes to achieve.

Outputs (or departmental outputs) are the goods and services produced by agencies on behalf of the Australian Government or external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency and departmental expenses that agencies control directly. Administered items are revenues, expenses, assets and liabilities that the Australian Government controls, but an

agency manages on the government's behalf. They include expenses such as grants, subsidies, benefit payments and transfers to other levels of government and account for around 80 per cent of Australian government expenditure.

Taken together, outcomes, departmental outputs and administered items are the elements of the Australian Government's budget and accountability framework. Outcome statements appear in the Appropriation Bills. A Portfolio Budget Statement (PBS) is produced each year for each portfolio. It identifies the supporting outputs and administered items, together with measures of how well the portfolio performed. Agencies are required to report subsequent performance against outcomes in their annual report. This alignment of budget documentation is known as the 'clear read' and enables performance to be assessed against the targets set at budget.

Governments determine how funds are appropriated.

Decisions concerning the way in which resources are appropriated to particular outcomes are a matter for the government. The budget framework offers flexibility in relation to the way whole of government measures can be appropriated, including through the use of common outcomes across agencies. However, common outcomes have not been used to date. Rather, elements of current whole of government initiatives have been appropriated within the existing outcomes structures of each agency involved in the whole of government task. This helps agencies manage these measures with other activities of the portfolio. It does not, however, allow for clear identification of whole of government measures both between and within agencies in budget documentation. The challenge is to balance agencies' ability to manage and account for these measures while at the same time addressing parliament and stakeholder needs to see the whole picture.

Current framework

The outcomes and outputs framework reports actual performance in annual reports.

The outcomes and outputs framework was introduced in the 1999–2000 Australian Government Budget to coincide with the introduction of accrual budgeting. It replaced the existing program management and budgeting (PMB) Framework. PMB was a cash-based arrangement. Also, because resources for agencies were appropriated by line item rather than by outcome, it was not always possible to align expenditure with individual programs and was no longer appropriate to an accrual budgeting environment.

The current outcomes and outputs framework reports actual performance in annual reports against proposed performance

information about broad outcomes at Budget. As part of a package of changes introduced with accrual budgeting, the framework contributed to a more comprehensive picture of the government's financial position and performance. The full cost of government activity, not simply the cash component, was reported, including a clear separation of capital and recurrent outlays.

Treatment of whole of government initiatives

The outcome and outputs framework provides flexibility.

Literature surrounding the introduction of the outcomes and outputs framework did not deal explicitly with the treatment of whole of government budget initiatives. While the new framework has always been flexible in its ability to accommodate such measures, this may not have been fully appreciated by agencies considering and/or involved in whole of government initiatives.

Performance of whole of government initiatives is hard to assess.

The way in which outcomes were initially identified may also have unintentionally discouraged the use of the framework to transparently accommodate whole of government measures. The identification of outcomes was left to individual ministers, with an endorsement role for the Minister for Finance and Administration. As a result, the number of outcomes per agency and the extent to which they identified Australian government policy priorities varied significantly. As a general rule, outcomes were very broad and tended to represent areas of continuing Australian government responsibility rather than particular policy priorities of government. While the 'clear read' from appropriation to PBS to annual report was achieved, performance in relation to particular Australian government initiatives has not always been easy to assess, given the number of programs and activities contained within some outcomes and the inconsistent reporting of related outcomes across portfolios.

Evolution of the outcomes and outputs framework

The outcomes and outputs framework has been progressively refined.

The Australian government outcomes and outputs framework has been progressively refined on the basis of experience. This has included work to examine the scope for the framework to accommodate whole of government measures.

While outcomes are still determined by agencies and individual ministers, the Minister for Finance and Administration now approves all proposals for new or changed outcome statements. This enables a more consistent approach to outcome definition.

As a result of this process a small number of agencies have increased the number of their outcomes. For example, in the lead-up to the 2003–04 budget, Defence's single outcome was

disaggregated into seven outcomes as an interim measure. This change was made pending a further report to the Australian Government on a more enduring outcomes structure.

To date, outcomes have not been disaggregated to the level of specific policy priorities as represented by individual funding initiatives. There are advantages in having broad outcomes. More generalised outcomes help performance measurement over time, as they increase the chances that agencies have the same or similar objectives from year to year. Also, broad outcomes provide flexibility, enabling funds to be used throughout the year to match demand.

Best practice approach to performance reporting in annual reports.

The Australian National Audit Office in its Better Practice Guide on annual performance reporting suggests that broad (or shared) outcomes are useful as they can involve contributions from a number of areas within and outside an agency. The key challenge is to identify the agency's area of influence and acknowledge this in performance measurement and annual reporting.

The guide suggests a number of standards relevant to shared outcomes that agencies could use in their performance reporting framework—for example: identifying and explaining the agency's contribution; cross-referencing to other agencies' contribution to the shared outcomes; report on measurement and evaluation of the size and significance of the contribution; and explaining how cross-agency effectiveness is being improved.[1]

Other approaches to whole of government reporting

Like the Australian Parliament, other parliaments do not generally appropriate funds for a single outcome involving more than one portfolio.

Some state governments have, however, identified high-level whole of government outcomes or policy priorities. This approach potentially provides a simple way for stakeholders to assess government progress towards broad outcomes without the need to reconcile budget documentation.

Victoria has four whole of government goals for 2010…

The Victorian Government has adopted four overarching outcomes (described as the government's 'broad vision') with a target date of 2010 under the banner of *Growing Victoria Together*. These four outcomes are:

- "Innovation leads to thriving industries generating high-quality jobs.

- Protecting the environment for future generations is built into everything we do.

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1 Australian National Audit Office, *Better Practice Guide—Better Practice in Annual Performance Reporting*, Canberra 2004.

- We have caring, safe communities in which opportunities are fairly shared.

- All Victorians have access to the highest-quality health and education services all through their lives."[2]

…and it measures progress.

These outcomes are supported by a series of benchmark targets and progress towards them is being reported in annual budget statements. While reporting in a number of areas is embryonic, examples of targets against which performance will be measured include:

- "Victorian primary school children will be at or above national benchmark levels for reading, writing and numeracy by 2005.

- Waiting times and levels of confidence in health and community services will improve.

- Health and education outcomes for young children will improve."[3]

Queensland is trying something similar.

The Queensland Government has adopted five Priorities in Progress and, consistent with Queensland's *Charter of Social and Fiscal Responsibility*[4], proposes to report annually on progress. The five priorities are:

- "More jobs for Queensland—skills and innovation— The Smart State.

- Safer and supportive communities.

- Community engagement and a better quality of life.

- Valuing the environment.

- Building Queensland's regions."

The above priorities are supported by, and matched to, individual outcomes. There are a total of eight outcomes, which are shared by identified principal policy agencies.

In Queensland, although information is provided to parliament in relation to planned outcomes, appropriations are made at the departmental level and not at the level of specific outcomes or outputs.

For whole of government initiatives, a lead agency is nominated to lead and coordinate the initiative. For example, the Department of Aboriginal and Torres Strait Islander Policy (DATSIP) is the lead agency for Queensland Government Indigenous outcomes for Cape York, but funding for various elements of the strategy is allocated to relevant departments.

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2   Victorian Government, Department of Treasury and Finance, *2003–04 Budget Statement, Budget Paper No. 2*, Melbourne, 2003, Attachment G, p. 325.

3   ibid.

4   Queensland Treasury, *Charter of Social and Fiscal Responsibility*, Brisbane, 2001 (document available through: <http://www.treasury.qld.gov.au/office/services/reporting/priorities/index.html>)

Where agencies have agreed to contribute funding towards specific activities within the initiative (e.g. development of alcohol management plans for Cape York), departments make payments to DATSIP.

In Queensland, as well as other jurisdictions, funding for whole of government activities is yet to be appropriated for the same activity across more than one department or portfolio.

UK whole of government targets are precise and ambitious.

The UK Government has whole of government service targets. Departments are responsible for achieving targets (sometimes jointly) and a website provides advice on public service reporting against these targets. Many targets are precise and ambitious (e.g. 'Enhance the take-up of sporting opportunities by 5–16 year-olds by increasing the percentage of school children who spend a minimum of two hours each week on high-quality Physical Education and school sport beyond the curriculum from 25 per cent in 2002 to 75 per cent by 2006')[5]. It is too early to assess the benefits of this approach.

Appropriation models for the treatment of whole of government measures

There are ways to improve transparency and accountability of whole of government measures.

Work to date suggests that while the Australian Government is making more use of whole of government cross-portfolio initiatives, the current budget framework's flexibilities are not being fully used to accommodate them. Agencies tend to plan, manage and evaluate whole of government initiatives against several portfolio-wide outcomes. Agencies have different approaches to defining outcomes and it is therefore hard to achieve a coherent set of overarching objectives for a whole of government measure. Four broad approaches to the appropriation of whole of government initiatives have been identified:

- use of a single or common outcome

- use of agency purchaser–provider arrangements

- nomination of a lead agency

- multi-agency package.

These are discussed below.

Single outcome

A single shared outcome for a whole of government project could work well.

A single outcome approach could be used by agencies that jointly deliver a specific outcome:

- Funding would be targeted solely to the initiative and could not be used to fund other outcomes within participating portfolio agencies.

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5   UK Government, Department for Culture, Media and Sport, 2003 (document available through: <http://www.culture.gov.uk/sport/school_sport/default.htm>)

- Administered and departmental funds could be moved across portfolios if necessary (provided parliament indicated that this was what was intended—for example, in a note or separate section of the Appropriation Acts).

- Agencies would develop separate outputs, but budget papers, PBSs and annual reports would identify linkages with the common outcome. Some ministerial statements ('blue books' issued at budget time) also perform this function in areas such as the environment and Indigenous and women's affairs.

- Alternatively, a stand-alone annual report on a particular whole of government outcome or all whole of government outcomes could be published.

Treatment of savings will need to be considered.

If agencies and ministers wished to consider use of a single shared outcome, there are a range of budget policy considerations which would need to be addressed. For example, if offsetting of savings is required to fund an initiative, responsible ministers are likely to seek assurance that all participating portfolios will be treated consistently. Also, if a single outcome is to permit transfer of departmental funds between agencies, the basis for doing so would need to be agreed at the outset. Agencies have different cost structures and this may need to be reflected in any arrangements governing use of departmental funds.

Purchaser–provider agreements

Under a purchaser–provider agreement, a lead agency would be fully appropriated (under its existing outcome structure) to purchase the required services from one or more agencies and then be accountable for the outcome associated with the activity.

Lead agency

Lead agencies are responsible for coordination and reporting.

Under a lead agency approach, agencies would be appropriated funds in accordance with their prevailing outcome structure, but a nominated lead agency would be responsible for coordination and reporting. In addition to reporting on its own measures in the PBS and annual report, the lead agency would be responsible for ensuring adequate cross-referencing to the program elements delivered by other agencies in their budget documents and annual reports. The lead agency would need to compile performance information for the evaluation of the initiative as a whole. A weakness of this model is the limited leverage which the lead agency has to ensure a consistent approach to performance measurement. This situation could be improved if the lead agency's role and performance measurement were both explicitly recognised at the time of the budget decision.

Multi-agency package

Under a multi-agency approach, agencies could be appropriated funds for a common policy outcome, but with no formal requirement for continuing coordination. Typically this could relate to measures that are simply extensions of existing programs or initiatives.

How should funds be appropriated for whole of government initiatives?

Each of these models offers particular advantages and disadvantages. These should be considered by agencies in advising ministers on how a whole of government initiative could be structured.

A single outcome approach ensures funding and performance information is easy to identify in budget documentation. However, it also means that accountability is diffuse; agencies have reduced flexibility to move funds to meet demand; and rules need to be developed to govern treatment of savings, underspends and movement of funds.

Purchaser–provider arrangements afford clear accountability, which generally resides with a single minister. Provided that participating agencies can agree about presentation, funding and performance, information can be readily identified in budget documentation. However, accountability of the lead or purchasing agency depends on the actions of other agencies.

Lead agency and multi-agency arrangements provide maximum funding flexibility for agencies and clear accountability for elements of the package. However, accountability for delivery of the package as a whole is unclear and if a lead agency is not given leverage to determine reporting arrangements, funding and performance information is difficult to identify.

Examples of appropriation models for whole of government work

Some governments are considering how the appropriation of funds and accountability for them in relation to a single outcome can involve more than one minister. There are models currently being used involving the nomination of a lead agency with responsibility for facilitating a whole of government outcome, such as the Queensland Government's management of Cape York Indigenous outcomes.

Within the Australian Government, purchaser–provider arrangements have been used to achieve a proxy for a single outcome shared by two ministers to facilitate the management of the Natural Heritage Trust (NHT) and the National Action

Plan on Salinity (NAP). In relation to these two whole of government initiatives, the government nominated the two delivery agencies—the Department of Environment and Heritage (DEH) and the Department of Agriculture, Fisheries and Forestry (DAFF).

Natural Heritage Trust and National Action Plan on Salinity

…National Heritage Trust involves joint accountability

The NHT was created to increase investment in environmental protection supported by funding generated from the sale of Telstra. Initially $1.25 billion was provided. As programs relating to environmental protection were spread across both the DEH and DAFF portfolios at that time, it was decided that the responsibility for Trust investments should be shared by the two portfolio ministers.

This was achieved through the Trust legislation (the *Natural Heritage Trust of Australia Act 1997*) by the establishment of a ministerial board comprising the two ministers. Among other things this board is legislatively required to make decisions on what investments are made from the Trust. Both ministers are jointly accountable for the use of money made by the Trust.

Investments in the NHT are funded through a special account established by the NHT Act. Appropriations into the special account are made to a DEH outcome. Where investments are to be made through a DAFF-administered program (e.g. for Landcare), funds are transferred from the special account to that agency. For reporting purposes, however, all revenues and expenses of the Trust are reported in DEH's accounts.

NHT funds administered by DAFF are shown in the Environment and Heritage PBS under a purchaser–provider arrangement. DAFF reports separately on programs that it administers under the NHT.

Investments in the NAP are subject to normal annual appropriation arrangements, with all funds being appropriated to DAFF's sole departmental outcome.

…a joint team manages resource programs

To facilitate a whole of government approach, the joint DAFF/DEH Natural Resource Management Team has been formed to jointly oversee program delivery. Implementation of the NAP and related natural resource management issues is overseen by a board of management consisting of senior representatives of Agriculture, Fisheries and Forestry; Environment and Heritage; Transport and Regional Services; the Prime Minister and Cabinet; and the Australian Greenhouse Office.

The Minister for Agriculture, Fisheries and Forestry is responsible for the funds appropriated for NHT and is ultimately accountable for the use of funds.

Australians Working Together (AWT)

…AWT has some shared elements, but accountability is with individual agencies

AWT provides an integrated package of income support measures to groups including parents, people over 50, people with a disability, job seekers, Indigenous Australians and youth. It was announced in the May 2001 Budget as the first-stage response to the government's commitment to welfare reform. The second stage was announced in December 2002.

Responsible departments are: Family and Community Services (FaCS); Employment and Workplace Relations (DEWR); and Education, Science and Training (DEST); and the Aboriginal and Torres Strait Islander Services (ATSIS). Service delivery is generally through Centrelink. Funding is appropriated within the existing outcome structure of all participating agencies. Agencies report on their individual funding responsibilities in their PBS. All but two of the AWT measures are delivered solely by individual agencies.

In relation to the communications component of AWT, FaCS is appropriated funds but provides some funds in turn to DEWR for communications functions performed by that agency. The communications strategy is developed jointly by FaCS and DEWR. The evaluation measure is the most genuinely collaborative measure within AWT. FaCS and DEWR jointly chair a welfare reform committee consisting of FaCS, DEWR, DEST and ATSIS. The committee has several subcommittees including an evaluation steering committee, of which the Department of Finance and Administration (Finance) is a member.

National Illicit Drugs Strategy (NIDS)

…NIDS has separate funding for each agency.

Another whole of government initiative organised along similar lines is NIDS. NIDS describes a broad range of activities to reduce the supply of, and demand for, illicit drugs. The initial strategy was launched by the Prime Minister in 1997 and new measures have since been added.

Funds are appropriated to separate outcomes in: the Department of Health and Ageing (DOHA), DEST, FaCS, Attorney-General's, the Australian Federal Police and the Australian Customs Service. DOHA chairs a committee which oversees the initiative. Agencies report benefits from the clear demarcation of respective roles and responsibilities.

Performance reporting

The Australian Government's budget process, which determines funding commitments by assessing competing priorities, provides an effective mechanism for the development of whole of government initiatives. Such initiatives are identified clearly in *Budget Paper No.2*.

Whole of government funding mechanisms work well, but performance measurement is not clear.

The examples discussed suggest that the current outcomes and outputs framework is being used creatively to accommodate whole of government measures within existing structures. It provides agencies and ministers with a range of choices to enable them to determine how best to balance efficient operation and seamless service delivery.

The standard budget mechanisms for providing advice on continuing performance are, however, less effective in relation to whole of government measures. Performance measures for NHT and NAP, for example, are spread between DEH and DAFF PBSs. They are organised differently, reflecting the way in which those programs are managed within the outcome and output structures of the relevant administering departments.

Performance information in relation to the AWT package is similarly disaggregated. However, the package was developed with clear, measurable objectives.

An evaluation strategy was designed at the outset, coordinated by FaCS and DEWR. A range of methodologies was identified including qualitative and quantitative measures, case studies, qualitative research, longitudinal analysis and net impact studies. Year-on-year monitoring of particular packages can be difficult. It does not, however, appear to inhibit program evaluation, with formal reviews for major initiatives like NHT, NAP and AWT agreed in advance. For this reason, there may be limited benefit in requiring responsible agencies to develop stand-alone reporting arrangements outside existing structures for cross-portfolio initiatives.

If the Australian Government considered that whole of government initiatives would benefit from consolidated reporting of year-on-year budget progress and performance information this should be determined by ministers when initial funding decisions are made.

Whole of government financial management

One area where the operation of NAP and NHT has highlighted the need for attention is the lack of compatible financial management information systems (FMISs) across the

Australian Government. The operation of incompatible FMISs by DEH and DAFF significantly reduces the effectiveness of whole of government management because of the difficulty of exchanging financial and performance information for the programs they jointly administer.

Financial management information systems could be aligned.

Finance has not provided guidance in this area since the mid-1990s. Guidance may be a valid extension of the budget estimates and framework implementation work.

A possible approach could involve Finance developing and maintaining standard templates for FMISs and budgetary model specifications with the assistance of a chief finance officer (CFO) reference group. Such work could be expanded to facilitate the development of best practice principles, providing opportunities to enhance knowledge sharing between CFOs, showcasing good/best practice and assisting the Australian Government to better leverage off work being done in lead agencies.

Interoperability of FMISs is, however, likely to be some time away and involve significant capital investment. A recent survey of Australian government agencies by Finance identified 17 primary FMISs currently being used across the Australian Government. In addition, agencies tend to customise systems. The number and nature of agencies which the Australian Government may wish to call upon to deliver a whole of government initiative is difficult to predict. This can result in requirements to transfer data between agencies with very different business (and IT) requirements.

The NIDS initiative, for example, involves welfare delivery and law enforcement agencies. Participating agencies have identified information sharing as one of the most significant challenges in delivering the initiative. They consider that clearer identification of data-sharing needs at the start of the project would have been valuable. This seems a useful prerequisite for any whole of government exercise.

Putting it into action

The most effective appropriation framework should be considered at the time of funding decisions.

Whole of government initiatives are currently resourced under arrangements where funds are appropriated to individual agencies within existing outcomes structures. Activities are then managed independently, cooperatively or through purchaser–provider arrangements. Other mechanisms, such as common outcomes or lead agency arrangements could be used. In advising ministers about the most appropriate framework for whole of government budget initiatives, agencies should consider resourcing issues at the time funding decisions are made.

Reporting and evaluation arrangements for whole of government initiatives should be decided as part of the Budget.

Budget reporting on the progress and performance measurement of whole of government initiatives is not available in a consolidated form. Elements of the initiative are reported against the outcome and output structures of responsible departments. Recent guidance from the Australian National Audit Office concerning cross-agency governance indicates that 'Cross-agency policy development or operational arrangements should not inadvertently result in an accountability gap where responsibility for outcomes is unclear or ambiguous'.[6] While reporting is disaggregated, accountability for elements of whole of government initiatives examined appears clear. There would be merit in determining reporting and evaluation arrangements for whole of government budget initiatives at the point at which budget decisions are made. This would remove scope for ambiguity.

Case studies examined during this report suggest that whole of government initiatives could be more effective if more thought were given to the appropriation, management and governance of such measures when budget decisions are made. Decisions in these areas are a matter for ministers. Finance could build on its existing role by providing advice to agencies as whole of government measures are developed. Advice could include possible choices about appropriation structures, accountability, evaluation, governance structures, information management and accounting requirements. Agencies should consult Finance early in the development of major cross-portfolio initiatives for advice on possible approaches.

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6   Australian National Audit Office, *Cross Agency Governance Guidance Paper No. 7*, July 2002, p. 2.

6 >> MAKING CONNECTIONS OUTSIDE THE APS: THE NATURE OF ENGAGEMENT IN WHOLE OF GOVERNMENT ACTIVITIES

CHAPTER FINDINGS

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 Australian Public Service (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.

- Engagement by government with people and organisations external to it is an increasing feature of whole of government work.

- Expectations of government in this area are growing, aided by technological change. In addition, the government expects more of the APS in offering sound advice based on the widest possible range of views.

- Engagement is not just about government informing the public, but is about the public genuinely being part of policy making, decision making and implementation processes.

Introduction

Whole of government work can focus on a community, an industry sector, a region or categories of individuals.

Most whole of government activities are about addressing the cumulative impact of government policies and programs on particular communities, industry sectors, regions or categories of individuals.

For example, the Industry Action Plans developed by the Department of Industry, Tourism and Resources (Industry) can examine the cumulative impact on a sector of industry—such as downstream petroleum, plastics or tourism—of the government's industry support, tariff, tax, competition, environment, labour and technology policies, in the context of the domestic and global markets in which the industry operates.

Similarly, the Council of Australian Governments (COAG) Indigenous Trials look at Australian government programs delivered by a range of agencies (e.g. Centrelink, Family and Community Services, Health and Ageing, Aboriginal and Torres Strait Islander Service, Employment and Workplace Relations, Transport and Regional Services, and in some places Environment and Heritage), as well as state programs, from the viewpoint of particular Indigenous communities to see how they might better work together.

Sometimes the focus might be on a particular region, such as through the government's Sustainable Regions Program, or on a particular community group such as the unemployed, people with a disability, the educationally disadvantaged, families and so on.

The common concern is to optimise benefits and understand how policies and programs come together.

The common concern in these whole of government activities is to optimise the benefits to particular regions, communities or industry sectors, as well as to understand how policies and programs delivered by different departments and agencies come together. Are they mutually supportive and aimed at the high

priorities, or duplicative, possibly even offsetting? Are they known about, valued and easy to use? Do they provide the right incentives to encourage socially valuable outcomes? Do they allow scope for tailoring to individual, community, sectoral or regional priorities?

One of the ways to find answers to these questions is to involve those who are affected (or their representatives) in policy development and review, and in some cases program delivery. While this is not always possible—for example, for reasons of financial risk to the Australian Government; unfair commercial, interest group or personal advantage; privacy requirements; or even political risk—experience has shown that carefully thought-through community engagement can be vital to the success of policy development and program delivery.

Community engagement can be vital to success…

Some authors consider that the very nature of government is changing as it includes more structured input by external players to policies and services. Mulgan[1] argues for a concept of 'governance' over 'government'—meaning a way of governing which involves non-government institutions in the processes of government. Edwards[2] provides a range of suggestions for future collaboration to enhance government's understanding of the complexity of the voluntary sector and the voluntary sector's understanding of government processes. Podger[3] points to the importance of increasing involvement in both policy development and implementation.

…and can take many forms.

Community engagement can take many forms. Providing information, undertaking market research and conducting regular client satisfaction surveys (e.g. under service charter provisions) are forms of engagement regularly used in government, as well as the private sector. More formal consultation—both through open processes, often web-based, and/or in a more focused way through advisory bodies, consultative committees, taskforces and/or consultants hired for the purpose—is often a key part of policy development and program delivery and review. It allows informed participation but protects the government's obligation to make decisions on behalf of all Australians.

In some circumstances a degree of formal power sharing might be involved by providing for a decision-making role for other governments, non-government bodies or their representatives. This can be particularly relevant in intergovernment work, or where decisions can be delegated to, for example, regional

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1   R Mulgan, 'Accountability Issues in the New Model of Governance', Discussion Paper No. 91, Graduate Program in Public Policy, Australian National University, Canberra, 2002.

2   M Edwards, 'Participatory governance', *Canberra Bulletin of Public Administration*, vol. 107, March, pp. 1–6, 2003.

3   A Podger , 'Whole of Government Innovations and Challenges', keynote address to *Innovations and Impacts* seminar, IPAA National Conference, Adelaide, 16 November 2002.

bodies or non-government service providers within an agreed policy framework or contractual relationship. Which of these forms of engagement is appropriate requires careful thought.

Nature of engagement

The APS occupies a unique place in the structure of Australia's participatory democracy, at the intersection of the expectations that citizens have of the government and the government's expectations that the advice it receives is cogent and that its policies are being implemented.

Whole of government work is not likely to be fully effective unless it engages professionally with external players.

The dialogue between government and its citizens as stakeholders is a fundamentally important part of our democratic system. The APS has a crucial role in this dialogue, and regardless of who the external players are or what interests they represent, whole of government work in the APS is not likely to be fully effective unless it engages professionally with external players.

Expectations of government

The public expects easier access to governments…

Increasing community expectations of government are reflected in much of the literature on modern approaches to whole of government issues, argueing that external engagement with government has increased over the 20th century and that public sector managers will need to rely more on interpersonal and interorganisational processes.[4] There seems to be agreement in the literature that the frequency and importance of connections between governments and those outside government have increased, particularly on more complex cross-government issues.

This view is confirmed by the case studies to this report (appendix 2). In all but one of them, contact with external players features prominently. Indeed it is impossible to imagine some major whole of government projects not featuring, and in some ways being driven by, external interests: the Olympics, the Bali recovery, Sustainable Regions, the COAG Indigenous Trials, all have external involvement as central to their success for the Australian Government.

…and seamless service delivery.

Australians expect to be engaged in the design and development of policies and programs that affect them. They also expect government programs and services to be delivered in a seamless manner, without the need to understand the distinctions between agencies and programs. These

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4   DF Kettl, *The Global Public Management Revolution, A Report on the Transformation of Governance*, Brookings Institution Press, Washington, 2000; DF Kettl, 'The Transformation of Governance: Globalization, Devolution, and the Role of Government', in *Public Administration Review*, 60(6), Blackwell, 2000.

expectations are an important element of our participative democracy.

Approaches to meet increasing expectations for 'seamless services' include structural …

It is not surprising that with increased frequency and ease of access through improvements in technology, the public's expectations of engaging with the whole of government have increased.

Many writers consider that citizens are increasingly demanding 'seamless services' and are frustrated with duplications, gaps and lack of integration. A range of approaches is being used to meet increased expectations.[5]

…organisational culture and personal skills

Some approaches are structural—for example, 'one-stop shops', a whole of government approach to serving the public. Centrelink is a ground-breaking Australian example of joining up delivery in the income support and employment field.[6]

Other approaches use organisational culture and personal skills to achieve a seamless delivery. The COAG Indigenous Trials are examples where high-level interpersonal skills, team work and strong leadership contribute to join up programs across government for particular Indigenous communities.

…and use of technology.

Other approaches rely on technology. There are many examples worldwide of internet access that attempts to be a single entry point to government for a particular sector or group of people. Australian government examples range from a single entry point for small businesses or to people in Australia's regions to a single site for all services and information relating to the recovery from the Bali bombings in 2002.

Citizens rightly expect governments to consult them…

There is wide agreement in Australia, and throughout the OECD countries, that citizens' expectations of their governments to engage them openly in public policy processes are appropriate and legitimate.

External engagement is particularly important for most whole of government activities, and the management of that external engagement for such activities presents particular challenges. External engagement covers a wide range of interests. Governments engage with individuals, families, communities, community groups, interest or lobby groups, industry groups,

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5   T Fitzpatrick, 'Horizontal Management—Trend in Governance and Accountability', Action Research Roundtable on the Management of Horizontal Issues, Canadian Centre for Management Development, 2000; T Ling, 'Delivering Joined Up Government in the UK: Dimensions, Issues and Problems', *Public Administration*, 80(4), 2002, pp. 615–42.

6   Centrelink, 'Partnering the Eight Hundred Pound Gorilla: Centrelink doing government differently', paper for the Canberra Summit, Social Entrepreneurs Network, 22–23 May 2003; P Conn, *Planning into Action: The Centrelink Business Planning Experience*, paper presented at the IPAA National Conference, *Powerful Connections*, 2002; D Rosalky, 'Ministers, Secretaries and Boards. A perspective from a seat on the Centrelink Board', address to the seminar series, The Public Sector in the New Millennium, *Canberra Bulletin of Public Administration* 107 (March): 41–7, 2003; R Worthington, 'A case study of strategic partnering in Australia', OECD *Public Affairs and Communications*, Paris, 1999.

and other governments. The prominence of whole of government activities itself makes it more likely that external engagement will be required; moreover, the involvement of a range of agencies and portfolios escalates the chances that at least one has external interests that need to be involved directly in the activity. To be successful in addressing whole of government issues, especially where the challenges are complex and longstanding, requires the substantial involvement of the people and communities affected.

…and can be sophisticated in their dealings with government.

In many cases, the external groups are increasingly capable and sophisticated in their dealings with government. They are represented by full-time, paid professionals and use expertise from academics and think tanks etc. Even where interest groups have relatively less sophisticated mechanisms, their contribution to the process of solving difficult social issues is another important component of our participative democracy. In either situation, engagement with them by government requires considerable professional capacity among APS employees, complementing the important linkages that can be expected at the political level—ministers, members of parliament and ministerial staff.

Expectations by government

Government expects the APS to engage more with the public.

The government rightly expects the APS to be responsive to the Australian people. The APS needs to be conscious that governments are increasingly seeking advice from outside the bureaucracy. Many commentators have remarked on the new contestability of policy advice[7], and the need for public servants to appreciate the perspectives of external groups if they are to provide comprehensive and relevant advice.

The Australian Government is bound by the constitution to make laws for the peace, order, and good government of the Commonwealth, and the Australian people are free to participate in the public processes to give effect to this.

The bottom line of public policy is the national interest…

As citizens engage the government and exercise their right to seek to influence public policy decisions they tacitly acknowledge the equal rights of other Australians to seek also to influence government according to their preferences. Because external stakeholders often seek incompatible public policy outcomes, the government is routinely required to decide between competing demands. In making such judgements, the bottom line of public policy decision making is serving the nation's interest.

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7   M Edwards and J Langford (eds), *New players, partners and processes: a public sector without boundaries?*, 2002, Proceedings of the National Institute for Governance (University of Canberra) and the School of Public Administration (University of Victoria) Symposium, held in Canberra, April 2001.

Final decisions are with government and the APS has an important role

…and final decisions rest with the government.

The APS has an important role to play in ensuring that external players have a clear understanding of the public interest imperatives that necessarily underpin public policy. This includes helping stakeholders understand that the government remains the final decision maker.

The APS is expected to have close connections with external stakeholders to ensure it is well positioned to offer advice for informed government decision making, and to implement effective and responsive services. There is also an increasing requirement for the APS to be highly skilled in communicating and consulting with the public to assist with informed decision making and to ensure effective program delivery.

Engagement with external stakeholders, whether other governments or non-government organisations and members of the public, is always of close interest to ministers, and arrangements for such engagement need to be managed with the knowledge and confidence of ministers.

Developing and implementing government policy

Engagement by the APS of external players needs some level of ministerial authorisation.

Policy making by definition is a political process. The engagement by the APS of external players in the policy development process therefore requires at least some level of ministerial authorisation. This will avoid any suggestion of manipulating outcomes or of running inappropriate political risks, but also in a practical sense it recognises that governments are increasingly seeking advice directly from outside the bureaucracy—unless care is taken channels of communication can become confused.

Although the APS is not the government's only source of advice, it remains the key source of advice addressing the public interest, and has a responsibility to provide its own professional advice including assessment of the views from external groups. The impartiality of the APS is an essential ingredient to the decision-making process, and the APS is required to provide frank, honest, comprehensive, accurate and timely advice. The precise way this should be managed depends both on the approach to external engagement, and the process for coordinated development of the whole of government policy—see Chapter 2, particularly on the use of taskforces and interdepartmental committees (IDCs).

Engagement in policy development and program or service design

Engaging stakeholders has many benefits …

Involving external players in policy development or the design of services and programs has many benefits. Policies and services will more closely meet public needs if they are developed with the help of people affected by them. Policies will be better informed and based on evidence. Involvement is also likely to improve acceptance of policy measures and satisfaction with services.

…but there can be constraints to wide consultation.

Stakeholder involvement is not always appropriate, however, despite the potential benefits of closer alignment to public needs and reduced risk of problems at the implementation stage. In particular, constraints such as time criticality, security, funding availability, conflicts of interest and the privacy of individuals, as well as the government's perception of the political climate, need to be balanced against the importance and benefits of stakeholder engagement. On occasions, the government will simply decide that a matter is not (or no longer) open for debate.

The extent of external engagement for informing whole of government policy development is a matter for judgement on a case-by-case basis. So too is the style of engagement.

Some issues are intractable and stakeholders do not always agree.

All whole of government issues are complex, but some sit at the extreme end of the complexity scale and are intractable. Further, not all issues attract the same level of stakeholder commitment to resolve them. The style of engagement with stakeholders needs to be chosen with these variables in mind. 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 affect the appropriate style of engagement that should look to maximise commitment and minimise complexity.

A high level of engagement is appropriate where solutions need to be created externally.

A high level of engagement is likely to be appropriate where the solutions need to be created by the external stakeholders themselves. The right solution to a problem might not be known. There might be many possible solutions and the one which will work best will be the one 'owned' by the people affected. The Goodna case study is a good example of this. There had been a crisis in the disadvantaged community of Goodna in Queensland. Governments took a back-seat, facilitative role, helping the people of Goodna to work out processes to plan a better future for themselves. It was important to take time in this process as there were many possible solutions. Local commitment was needed to make necessary changes to their community (appendix 2).

Bottom–up approaches such as this are sometimes called 'capacity-building' or 'community development' approaches because they build the capacity of people to help themselves. This notion of 'partnership' between government and regions or communities as they develop their own solutions to local problems is a fundamental principle outlined by the government in its regional policy statement 'Stronger Regions, Stronger Australia'. It underpins the work of the government's Area Consultative Committees and its Sustainable Regions and Regional Partnerships programs.

Targeted engagement can also be appropriate.

A much more targeted engagement of stakeholders would be appropriate where there are major confidentiality or timing constraints.

The Australians Working Together case study describes how a small group of high-profile, eminent experts in welfare was involved with APS employees in the entire policy development process to reform Australia's welfare system. They worked in a budget-in-confidence environment, had direct access to the Minister for Family and Community Services and the Minister for Employment and Workplace Relations, in particular, and were vital to the form and acceptance of the proposed changes.

The Advisory Council on the Government's National Illicit Drugs Strategy is another example of targeted engagement. In this case, the council reported to the Prime Minister and its meetings were attended by a member of his Office. The Council also had access to the other ministers involved. Employees from various agencies assisted the council, but were not direct members. The council assisted in both policy development and monitoring of implementation.

The appropriate mix of top–down and bottom–up consultation will vary with the nature of the whole of government task. Sometimes a structured top–down approach is the most appropriate: the very complexity and political profile of many whole of government activities may make formal, coordinated approaches attractive. These include advisory committees or taskforces of external representatives, appointed by ministers and with direct access to them, and serviced by a lead agency.

Other approaches to assist engagement include: the use of third parties to manage consultations with interest groups and clients, and provide independent reports to ministers; and market research to test aspects of policy proposals and implementation plans.

Whatever approach is decided upon, careful consideration needs to be given to the well established accountability requirements for the APS, including value for money, acting with care and diligence, maintaining appropriate confidentiality, compliance with the applicable law, and using Australian government resources in a proper manner.

Sustaining engagement through program implementation

A number of the whole of government organisational arrangements covered in Chapter 2, Structures and Processes, require the APS to maintain long-term engagement with external stakeholders, generally to implement or refine a policy or program.

For instance, taskforces or joint teams would be expected to routinely work with external stakeholders over a prolonged period. Similarly, where external organisations are to be directly involved under various purchaser–provider models, longer-term engagement would be normal. Such arrangements are increasingly prevalent, particularly in activities addressing complex and longstanding problems requiring flexibility in service delivery and high sensitivity to complex individual and community needs.

Ongoing whole of government partnership arrangements with private for-profit and private not-for-profit organisations raise particular management and accountability complexities for the APS.

Government commitment to coalitions, including government, businesses and communities who join together to respond to local priorities, provides a mechanism for determining priorities for government expenditure and activity in a given community. Equally, this approach presents challenges for the APS in terms of balancing responsiveness to communities and business with traditional accountability requirements.[8]

There can be tensions between the needs of innovative whole of government partnerships with external players and the risk of diffusion of accountability back to government. These must be addressed directly and openly.

The APS Code of Conduct[9], for instance, requires an APS employee not to make improper use of inside information for personal gain or for the gain of any other person. This has particular resonance when the core business of an agency requires long-term engagement with one or more private organisations. In these circumstances the potential for conflicts of interest would appear to be significantly raised.

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8   M Edwards, 'Public Sector Governance: Future Issues for Australia', *Australian Journal of Public Administration*, 61(2), 2002; G Mulgan, 'Joined Up Government in the United Kingdom: Past Present and Future', *Canberra Bulletin of Public Administration*, No. 105, September, pp. 25–9, 2002.

9   *Australian Public Service Act 1999*, section 13.

This has important implications for risk management strategies. Numerous APS publications espouse the need for a robust risk management framework that supports both the development of innovative ideas and practices to support government priorities, and informs policy proposals that come forward for government consideration.

There may be merit in analysing the nature of the formal relationship with stakeholders in terms of: the process for selecting partners; the nature of the partnership; how partners are managed; the performance measures in place; and the balance of risks each party carries. Possible approaches under each of these form a continuum:

- Under **selecting partners**, appropriate possibilities could involve the use of traditional competitive tenders, submission-based selections, invitations to participate, and community development approaches designed to work with a community in a way which they direct—that is, bottom–up.

- The **nature of the partnership** can range from the more traditional purchase of service approaches through to arrangements based on complementary or shared goals. Sometimes the partnership might involve sharing the same values as the non-government organisation.

- **Managing partnerships** can take the form of contract management, contract *and* relationship management, relationship management only, or an equal relationship based on trust.

- In terms of **measuring performance** of a partnership, the range of options includes measuring inputs (such as how much money is being spent on Indigenous non-government health organisations), measuring outputs (such as the number of Indigenous health workers employed) or assessing outcomes (such as the extent to which Indigenous health improved). Sometimes both parties are in the project for exactly the same outcomes.

- **Risk controls** are important in any external relationship. Commonly each party would carry different risks. The risk to government of a relationship not working might lie in the risk to government policy or reputation. The risk to a non-government organisation might be its financial viability. Sometimes risks are genuinely shared.

Using this approach to briefly analyse two of the case studies shows how important insights can be gained for determining the appropriate partnership arrangements and risk and accountability regimes.

A community development approach has been taken to engaging with Indigenous communities in the COAG Indigenous Trials case study. Improvements in Indigenous outcomes are the key to the trials. Communities themselves must own solutions. Clearly, it would not be appropriate to ask a remote Indigenous community facing intractable issues to compete in an open tender process in order to get assistance from government. The accountability framework for the trials involves the development of shared outcomes agreements. APS goals for the trials complement the Indigenous communities' goals but would not be exactly the same. The success of the trials will to some extent depend on levels of trust that governments and the communities will deliver respectively what they promise.

The Goodna case study shows a different way of engaging with a community. Once again a community development approach was appropriate to sort out intractable problems in this disadvantaged community. Goals were shared—the community and government needed a response to a community crisis. Contracts were used between key players to progress various issues. Outputs were measured as well as outcomes. Risks were different for both parties.

Clout on the ground

A critical issue for community or regional-level management of whole of government projects is the authority available at that level. It is important for the APS to be able to offer 'clout on the ground'[10] by having employees or contracted third parties skilled to interact with local communities, authorities and individuals, and also having authority from the range of agencies involved in the project.

The COAG Indigenous Trials are testing the use of quite senior (executive level) APS employees as project officers for each community involved. For its Indigenous Health Trials, the Department of Health and Ageing has, with state departments, contracted community organisations to employ experienced project managers. Both approaches involve considerable 'clout on the ground', with one emphasising the authority back to the sponsoring agencies and the other emphasising the responsiveness to the community.

Getting the balance right requires careful consideration, and the appropriate solution will be different for different whole of government activities and projects. Where impartiality is essential the use of APS employees is to be preferred over contracted community organisations.

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10 A Podger, (op. cit.)

Other mechanisms for achieving community or regional coordination and responsiveness include the development of local strategic plans negotiated with the community that are in turn endorsed by the sponsoring agencies as a basis for subsequent funding and substantial delegation of detailed implementation to the community level. This approach is common in regional development and environmental activities requiring substantial whole of government cooperation. It underpins the approach taken to both the Natural Heritage Trust and the National Plan on Salinity and Water Quality. Ensuring that there are the appropriate balance of skills and interests in community bodies, that strategic plans properly reflect national and state-wide priorities in addition to the local concerns, and that delegated action is underpinned by good monitoring of accurate financial and practical outcomes is critical to making these arrangements work in a way that is effective and fair.

The balance between such bottom–up approaches to engagement and top–down approaches depends on the nature of the whole of government activity. Top–down or centralised approaches may be best where the choices are fairly clear, where external players are on-side and well engaged, when timelines are tight and/or where there are significant security or commercial sensitivities that could inhibit a less controlled approach. Typically, this is the case for crisis management (see Chapter 7), for dealing with sensitive international issues and for some economic and tax decisions. But for complex social problems, solutions frequently need to be created by the external people themselves, and the right solution is simply not known in advance. And for some issues, engagement of the affected communities in the policy development process can be critical to securing support for important changes.

*Complex social
problems often
need to be solved
by the external
people themselves.*

More details on balancing top–down and bottom–up approaches are included in the Good Practice Guides published as a companion document to this report.

e-government

*Technology is
increasing access
to government.*

Technology is both a key driver and a key component of the engagement with external players, particularly in whole of government activities. The internet in particular makes interactions easier, and makes personal knowledge of the relevant employee or agency less relevant. Technology assists the participation of citizens in public policy and programs.

Many governments are committed to 'e-government' as a way of offering the public easy access to government, and vice versa, and of bypassing organisational boundaries. In Britain,

electronic service delivery was pursued explicitly to break down silo-based delivery networks and allow the public to interact with government when and where they chose.[11]

In Australia in June 2000, the government established the 'More Accessible Government' initiative, led by the Department of Transport and Regional Services, to improve and simplify regional communities' access to federal government grant programs across Financial Management Act agencies. Some significant achievements have flowed from this work including the establishment of the GrantsLINK website, the implementation of a common front section for application forms, and the development of standardised funding agreements.

At the end of 2002 the 'Better Services, Better Government' strategy was released, providing a framework for developing e-government at a federal level.[12] Subsequent work includes the development of linked government websites. In a previous report, the Management Advisory Committee recognised the benefits of collaboration and proposed a two-tier governance structure for Australian government departments[13] to address whole of government benefits while ensuring investments meet the business requirements of agencies.

There is wide recognition of the role of technology in enhancing engagement.

There is wide recognition in the Organisation for Economic Cooperation and Development (OECD) member countries of the importance of information and communication technologies for enhancing government engagement with citizens. The OECD considers that 'engaging citizens in policy-making is a sound investment in the design and delivery of better public policies and a core element of good governance'. It acknowledges that experience with using information and communication technology tools for policy development is limited and sees an 'imperative for building on the experience of others and the need for further comparative work'.

The OECD nonetheless points to some emerging lessons: 'technology is an enabler not the solution'; 'the online provision of information is an essential precondition for engagement, but quantity does not mean quality'; and 'the barriers to greater online citizen engagement in policy making are cultural, organisational and constitutional not technological'.[14]

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11 Cabinet Office (United Kingdom), *Wiring It Up, Whitehall's Management of Cross Cutting Policies and Services*, a Performance and Innovation Unit report, 2000.

12 National Office of the Information Economy, *Better Services, Better Government: The Federal Government's E-government Strategy*, November 2002.

13 Management Advisory Committee, *Australian Government Use of Information and Communications Technology*, 2002.

14 Organisation for Economic Cooperation and Development, *Promises and Problems of E-democracy: Challenges of Online Citizen Engagement*, 2003.

Interactions between levels of government

Interactions between different levels of government, especially between the Australian government, state and territory and local governments, are a key focus for external connections in many whole of government activities.

Processes for intergovernmental engagement have evolved over the life of the federation in Australia. The formal responsibilities of different levels of government are distinguished by law and precedent, but there are many areas of shared interest, and many complex problems require solutions involving close cooperation. For the most part, these will continue to be managed through formal processes and structures such as COAG, various financial agreements and a large number of councils of ministers.

While the report does not address intergovernment relations in any detail, it should be noted that many whole of government priorities inevitably cross jurisdictional boundaries. Just as redefining the boundaries of agency responsibilities rarely solves whole of government challenges, reviewing the roles and responsibilities of the Australian Government and the states and territories and local government is unlikely to resolve many of the key whole of government challenges facing Australia. Some clarity about respective roles and responsibilities is important for accountability and achieving results, just as clear lines of responsibilities between portfolios and agencies has assisted program efficiency and effectiveness. No particular allocation of responsibilities will, however, avoid the need for crossing organisational boundaries, including intergovernmental boundaries, and this need is likely to continue to increase for the reasons set out in Chapter 1.

There are considerable benefits in taking a highly pragmatic approach. This may encompass high-level intergovernment endorsement of relevant priorities (e.g. through COAG or one of its ministerial councils) and appropriate project management and accountability processes (drawing on the suggestions in Chapters 2 and 5, in particular, and suggestions set out above for 'clout on the ground'). Ensuring ongoing capacity to respond to emerging priorities that may cross jurisdictional boundaries also requires continued close understanding of the policies and programs most likely to interact.

One approach to this is to establish ongoing forums and information exchanges that foster not only understanding by employees of the issues inside their areas of control and influence but also the appreciation of wider issues and activities that may impact on those areas.

> I have always seen some merit…in a pragmatic approach based on what might be called the 'control, influence, appreciate' principle. Under this approach, who controls what might be defined as firmly as possible…but it is recognised that each level of government will wish to influence the others in a number of areas; and, as these areas change from time to time under different governments and in the fact of different situations, it is important for public servants to have and maintain a good appreciation across the whole, including the areas under the control of another level that your level of government may want to influence in the future.[15]

Formal funding relationships may also feature in whole of government work. The nature of such relationships (e.g. the use of pooled funds, matching arrangements, conditional grants etc., and any contract arrangements with service providers either on a tender basis or partnership arrangement) should be tailored to the task. Value for money and accountability will guide these choices.

Clear division of responsibilities allows clearer accountability.

A key challenge in this area is managing accountability. Clear division of responsibilities allows clearer lines of accountability, and has important advantages in terms of efficient and timely delivery of services. Where problems require shared solutions, particularly where an integrated package of services from different levels of government is required, agreement needs to be reached on how effective overall performance is to be measured, and how the contributions of each agency and level of government are to be monitored.

Central to this are both the shared understanding of the problem and the commitment to a shared solution. Public servants can contribute substantially to both by close ongoing networks across jurisdictions.

The Goodna Service Integration Project (SIP) case study provides an excellent model for shared accountability. Ongoing accountability was exercised through the production of standardised briefings, which were issued to the directors-general of all participating agencies and to elected representatives of the three tiers of government from the CEO of Ipswich City Council on behalf of the SIP.

When communications regarding SIP activities were developed they were issued under multiple signatories to demonstrate an integrated approach.

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15 A Podger, (op. cit.) pg 8

Supporting external engagement: some practical issues

Engaging stakeholders requires new ways of working.

Engaging stakeholders in whole of government activities is a growing area of public administration. To some extent this entails adopting new ways of working in the APS, requiring both new and upgraded skills, as well as supporting structures and tools.

Communicating

High level of communication skills are needed.

Whole of government work has increased the importance of stakeholder management skills, especially the ability to communicate directly with a more complex mix of people.

If communication with external stakeholders includes formal market research to understand stakeholders' views or is a structured campaign involving advertising, public relations or similar, it is necessary to seek advice from the Government Communications Unit (GCU) in the Department of the Prime Minister and Cabinet. The role of the GCU is to provide advice and support on communications issues to the Australian Government and the Ministerial Committee on Government Communications and to manage the Central Advertising System.

Where the project involves community development or a partnering arrangement, a long-term communication effort may be required. Sustaining stakeholder relationships over time can be particularly challenging.

Stakeholders in whole of government matters often disagree, and some use sophisticated communication techniques, including media campaigns, to support their particular point of view or to discredit others. APS managers can need high-order communications expertise in these circumstances.

Accountability

There is a large volume of APS literature providing guidance on the general question of public accountability, and much of it has direct relevance to whole of government programs involving engagement with external stakeholders.

Accountability can be blurred.

The contest for ideas that is routinely associated with whole of government work can, however, blur the assessment of agency or individual accountability. This is particularly so when one or more parties to a debate are inflexible or actively work to defeat the preferred option of another party. In these circumstances it can be extremely difficult to measure results in terms of outcomes.

There is no simple formula for designing or applying an accountability regime to such a complex whole of government program, but scrutiny cannot, and should not, be avoided. It is important, therefore, to acknowledge in relevant business plans the complicating issues that stakeholder engagement can cause.

Delivering results

Engagement with stakeholders is about delivering results.

In the final analysis, the APS engages stakeholders to help deliver results. Many structures and processes can help or hinder this work. These are covered in some detail in other chapters of this report. Some particularly significant considerations for stakeholder engagement include:

- being open to the views and needs of stakeholders, without losing sight of the government's policy objectives—the mindset of the manager is a critical factor in this

- getting the right governance arrangements in place for the particular set of stakeholders—there is little point in writing letters from an IDC when help on the ground is being sought

- keeping channels of communication open and active—there are many lessons in the case studies about the importance of good communication

- understanding who is accountable for what, and making sure that stakeholders understand that the national interest cannot be divorced from public policy processes.

7 >> MANAGING CRISES AND THEIR CONSEQUENCES

CHAPTER FINDINGS

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

Crises 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 'hubs 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.

CHAPTER SUMMARY

• Australia has a proud record of responding well to crises.

• All those involved in a crisis recovery want to help as much as they can. Unlike some whole of government tasks, goodwill is not an issue in crisis management.

• Lessons learnt about whole of government crisis management include:

 – plan early and test the plan

 – establish clear leadership

 – define roles of all players early

 – use formal chains of command

 – ensure strong public affairs management.

Introduction

This chapter focuses on effective whole of government work in extreme circumstances. The Australian Government has been successful in responding to crises at home and abroad. There are many lessons for whole of government activities. With the decline in the international security environment following the attacks in the United States on 11 September 2001 and the proliferation of new and frightening security threats including bioterrorism, crisis management has been elevated as a policy priority for all Western governments.

Crisis management is, of course, well-practised and has long been a traditional priority in many fields of public policy, such as civil aviation safety, emergency medical responses and public health.

This chapter focuses on crisis management in response to both traditional (natural hazard, exotic animal disease) and new (terrorism) threats, drawing together key lessons.

Australia's emergency management arrangements

There are a number of key players in emergency responses.

Under the Australian constitution, each state and territory government retains responsibility for protection of the lives and property of their citizens. Effective disaster prevention, preparedness, response and recovery require the close involvement of police, fire, state emergency service, ambulance, medical services, hospital and other government agencies which provide services to the community. Local government and voluntary organisations also play important roles, as both groups have close links with the community.

While no legislation requires the Australian Government to act in emergencies, it has always accepted a responsibility to assist the states and territories where their resources are insufficient or inappropriate for the situation.

EMA administers two key plans for disaster response.

A number of Australian government disaster response plans are administered by Emergency Management Australia (EMA). The most important for the purposes of this chapter are the Commonwealth Government Disaster Response Plan (COMDISPLAN) for physical assistance to the Australian states and territories, and the Australian Government Overseas Disaster Assistance Plan (AUSASSISTPLAN) for assistance overseas.

Crisis response architecture

Political will is integral to the crisis response.

In discussing Australian government responses to crises, it is useful to note the political context. With agencies taking their cues from ministers, a whole of government response will be conditioned by the strength of political decisiveness and unanimity among ministers. The response to the tragic terrorist attack in Bali on 12 October 2002 underscores this observation. From the outset, the Prime Minister's instructions to senior officials were decisive: the government's response needed to be comprehensive and effective. Issues concerning resources could not be allowed to constrain the policy response—these matters could be addressed later. There was strong bipartisan support for the government's approach.

Chains of command need to be clear and must be used.

Reflecting these decisive political instructions, the government established explicit and appropriate chains of command. Given its responsibility for consular services to Australians in distress overseas, the Department of Foreign Affairs and Trade (DFAT) was tasked to coordinate the whole of government response to international aspects of the crisis. Domestically, the Department of Family and Community Services (FaCS) coordinated government policy and delivery of assistance to Australians and their families affected by the crisis. A clear lesson from Bali was the extent to which overseas events can resonate at the local community level, underlining the importance of domestic and state/territory agencies being activated early in response to a major overseas crisis.

The decisive establishment of clear roles and chains of command in this case contrasts with comments by McConnell and Stark[1] concerning the response by the UK Ministry of Agriculture, Fisheries and Food to the outbreak of foot and mouth disease (FMD) in February 2001. The authors describe the response as 'suffering from an institutional malaise and a fragmentary civil service, incapable (at least in the early stages) of providing a "joined-up" response to match the scale of the crisis'.

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1 A McConnell and A Stark, 'Foot and Mouth 2001: The Politics of Crisis Management' in *Parliamentary Affairs*, 55, 2002, pp. 664–81.

In the case of Bali, two 'hub and spokes' models were used to coordinate the whole of government response. DFAT took on the 'hub' role in coordinating the interagency 'spokes' response to international aspects of the crisis. At the same time, FaCS took on another 'hub' role, coordinating the interagency 'spokes' response to domestic aspects of the recovery. The two clusters of 'hub and spokes' worked alongside each other, attending each others' meetings where necessary, to provide a comprehensive overall response.

'Hub and spokes' keep leadership roles clear within government.

The 'hub and spokes' arrangement worked well to draw together key agencies and players to share information and coordinate policy responses. In the context of the chapter on structures, this approach represented the combination of two interdepartmental committees, each chaired by a line agency.

FIGURE 7.1: **International aspects: crisis phase—interagency emergency taskforce**
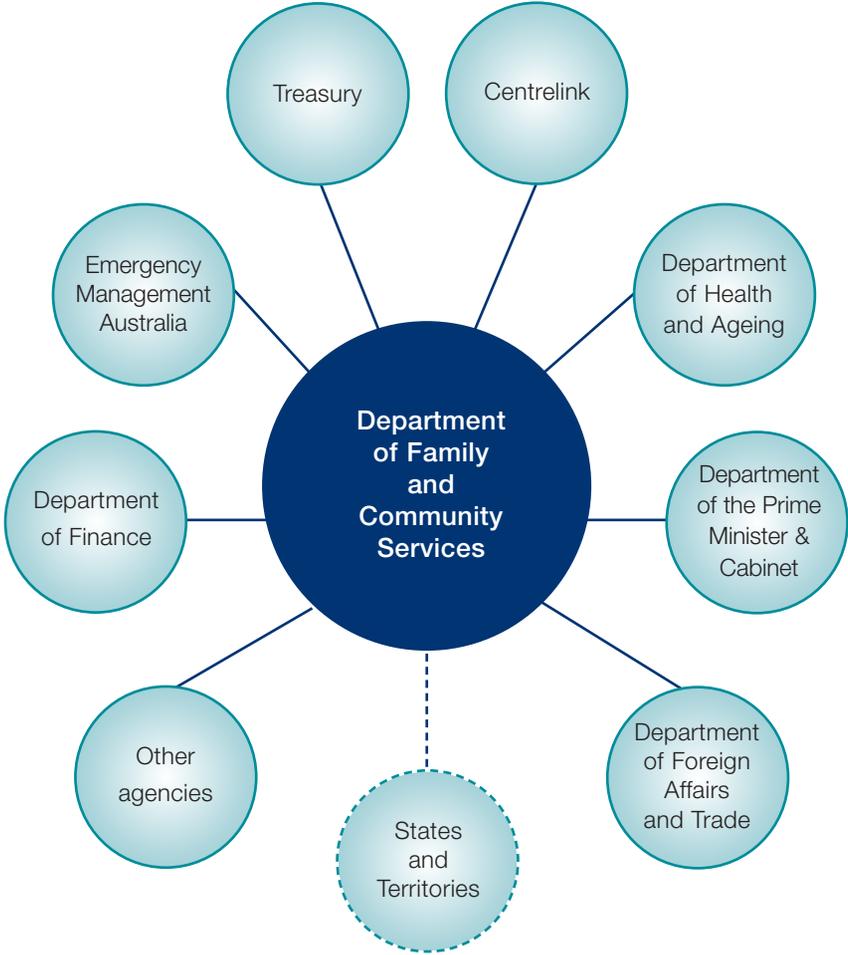
These arrangements provided the context for effective consultation, rapid decision making, close attention to the implementation of decisions, and action to address new or unforeseen difficulties. Within each committee, clear directives identified the roles and responsibilities of respective agencies, thereby ensuring that mandate issues were resolved early. Figures 7.1 and 7.2 illustrate these institutional arrangements.

While a 'hub and spokes' structure could be used in a range of crisis scenarios where there is a distinction between international and domestic issues or another clear thematic division, ultimately portfolio departments should ensure that

their own crisis plan thinks through linkages for different scenarios relevant to their particular portfolio or industry structure.

A number of observations can be made about this approach. First, within each 'hub and spoke' there was a clear division and respect for the different mandates of respective agencies. Rather than normal bureaucratic rules being abandoned, there was a strong appreciation that the simplest and most direct means of achieving goals was to use the appropriate agency and established channels.

Efforts at short-cutting, even where motivated by a noble desire to expedite an outcome, were ultimately more likely to result in delays and confusion. The use of traditional channels of liaison and coordination means that new relationships do not need to be established in the tumult of a crisis situation. This provides a higher degree of comfort for downstream organisations, such as state authorities, which are involved in delivering a specific response.

Coordination by DFAT for international issues and FaCS for domestic issues reflected the overall responsibilities of the two departments: DFAT has responsibility for consular services overseas, assisting in responding to the deaths of about 700 Australians overseas each year; FaCS supports Australian families in need.

Both DFAT and FaCS held daily (twice daily in the initial aftermath of the attacks) interagency taskforce meetings which drew major stakeholders together to share information and coordinate policy responses. APS employees attending these meetings were at a senior level, meaning they had the authority to make on-the-spot decisions on behalf of their agency.

The Bali response brought together a diverse range of agencies, many with little prior experience in working with each other. However, participants worked cohesively and collaboratively throughout the period. They were hindered little by the different departmental cultures and work practices which are found in the APS.

While Chapter 3 argues that organisational culture is the key to whole of government success, crisis draws forth a high level of goodwill which appears to eliminate cultural barriers.

One of the key lessons from the Bali attack was the decision to establish an overarching national plan, to be coordinated by EMA, to provide a framework for coordination to:

- clarify the roles of agencies and non-government organisations in crisis responses

- review links between Australian government and state disaster plans

- identify and rectify any gaps in interagency coordination arrangements.

The development of the National Response Plan for Overseas Mass Casualty Events will provide the blueprint for federal and state contingency plans to be examined further and tested against a variety of different scenarios.

While the government's response to Bali was pursued through the parallel processes of the 'hub and spokes' models, there was no competition or mandate clash between the two structures.

In the days after the Bali attack, as the evacuation of injured Australians was completed, remains stabilised and positive identification of the deceased began, the transition from crisis phase to recovery phase was well advanced. In fact it was important that activities associated with the recovery phase were conducted in tandem with activities associated with the crisis response. While there was no clear distinction in the transition from one phase to the next, the emphasis of policy making increasingly shifted from international to domestic aspects.

Driving the dynamic from the crisis to the recovery.

In driving response from crisis to the recovery phase, a high degree of discipline is required to ensure decision making is followed through by rigorous implementation and follow-up. Coordinated whole of government policy making and implementation is integral in driving towards the recovery phase.

Within the FaCS Bali response taskforce, 15 core issues were addressed in each daily meeting, with recent progress and forward planning reported against each. The core issues were: public communication; financial support; domestic health services; disability issues; counselling; return of effects of deceased victims to next-of-kin; community harmony; community support; rural issues; intergovernmental welfare issues; role of airlines; insurance coverage; domestic economic issues; international issues; and interaction with other disasters. The daily review of these issues ensured that policy outcomes were closely monitored and driven forward.

Make time to be strategic and to rise above the problems of the moment.

Similarly important is the need for crisis managers to rise above the maelstrom of the moment and obtain a more strategic view of the overall policy response. One way to do this is to create a regular opportunity for key decision makers to briefly canvass what might be the policy and media issues of the day. This discipline assists in ensuring that decision making continues to strike a balance between the proactive and the reactive, looking beyond the issues of the moment. In the case

of Bali, these approaches meant that within seven days of the attack the focus of government decision making had moved smoothly from the international to the domestic, from crisis to recovery phase.

Current crisis response architecture.

The Bali response outlines high-level whole of government crisis response architecture in action. There must also continue to be a focus on current emergency plans and arrangements, as demonstrated by the 2002–03 bushfires. The bushfire season proved to be one of the worst on record resulting in widespread destruction in both urban and rural areas over large tracts of eastern Australia.

With resources in NSW, Victoria and the ACT severely extended there were a number of requests from the states and the ACT for Australian government assistance. These were coordinated by EMA and met by the Australian Defence Force. Assistance provided included: helicopters, aviation and diesel fuel tankers, water tankers, portable generators, bulldozers and graders, accommodation for firefighters, chainsaw crews, planning, logistics and communications specialists, and buses. EMA also positioned liaison staff in NSW, Victoria and the ACT to assist with coordination of Australian government support and information on the fire situation.

The response drew on current arrangements between the Australian Government, the states and territories, as well as between Australian government agencies. Though not on the same scale as the Bali emergency, the response was an example of a whole of government approach, with current arrangements again proving to be effective.

Preparing for a crisis

Good preparation is the key to effective management during a crisis.

Effective crisis management is founded on good preparation. This should include: negotiation of protocols with likely key participants and stakeholders; maintenance of the crisis infrastructure to ensure it is ready to use at any time (this includes fundamentals such as after-hours contact lists of key employees from other agencies); and appropriate training and development to ensure people can fulfil key roles, whatever the dimensions of the crisis.

Human resource issues also need careful attention—a sustained crisis has the potential to burn out key people. One of the lessons of the Australian Government's foot and mouth simulation, *Exercise Minotaur*, was the need for agencies to look at human resource capacity in a number of key areas, particularly that of skilled and trained technical employees. Experience indicates

that the long-term nature of individual and community recovery will also place significant strain on human resources.

A further recurring issue is the need for a compatible communications system which allows information to be shared quickly between agencies without the need for special handling. The Bali response, for example, showed that two agencies (DFAT and FaCS) that had rarely communicated with each other before found electronic communications difficult.

Review of crisis management systems should be ongoing.

Agencies can also prepare for a whole of government crisis during normal business operations. The formal review and reform of existing processes following a crisis is vital. This needs to be undertaken on a whole of government basis and it is critical that agencies come together to pool lessons learnt and negotiate reforms to their own departmental processes.

Resource and financial management systems need to be in place to respond to crisis situations.

Another part of forward planning is the development of financial management protocols to give APS employees the discretion to authorise action. Once a crisis has begun, financial systems must be able to deliver appropriate resources to enable decision makers to quickly meet policy priorities, while also satisfying Australian government financial guidelines.

This lesson is illustrated by the issuing of *ex gratia* payments by the Australian Government which are covered neither by legislation or regulation. Such payments require written authority, normally from the prime minister. However, Australian government agencies need to understand how these payments will be handled where a decision and announcement has been made at the ministerial level, but corresponding authorisations are not yet available. While the lag may be only 24 hours, announcements about government assistance will trigger an immediate response from the community. Departmental secretaries may need to develop a consistent approach to flexible bridging arrangements to ensure financial assistance can be provided quickly in times of crisis.

Crisis responses need testing.

It is also important to test crisis management systems during normal business operations. Agencies have contingency plans that map out how the agency will respond in a range of different scenarios. Such plans require regular review, monitoring and testing to ensure they can deliver against their stated goal. Desktop and trial exercises are important, both within agencies and across the whole of government.

The Australian Government comprehensively tested its response systems in 2002 through *Exercise Minotaur*. The breadth of the simulation was impressive, with the scenario testing diverse issues such as animal health responses, trade

advocacy skills, and even consular dimensions. The simulation was conducted over four days in September 2002, after 12 months of planning. More than 1000 people from a range of government and industry agencies were formally involved, with the simulation oversighted by a panel of evaluators and observers.

Review existing protocols and practices.

Some private sector corporations have taken testing one step further by using 'internal assassins'—well-versed employees who devise worst-case business disruption crises to test management systems. Testing such as this on a whole of government basis would mean crisis management responses could be reviewed to ensure existing protocols and practices keep pace with changes in the threat environment, technology and political imperatives.

Exercise Minotaur enabled a thorough testing of the foot and mouth disease coordination arrangements, which were subsequently agreed in a Commonwealth–State Memorandum of Understanding signed in December 2002. This simulation also highlighted the importance of response protocols that include 'fire drills' to make sure that all systems are working well, including a managed approach to public communication. An approach like this moves beyond frameworks and standards, and puts in place specific action pathways with which all players can become familiar.

Identify possible barrier to effective crisis management.

The period between crises also provides an opportunity to review possible jurisdictional barriers to an effective crisis management. There are a number of possible sources for such difficulties. The first lies in the balance of powers between the Australian Government and state/territory governments, with divisions of responsibility established by the constitution. Protocols are required to ensure that the whole of government response at the Australian government level is matched by seamless coordination at the state/territory level.

Experience has shown that email should be used with some caution for priority communication during crisis management. Systems need to be robust enough to cope with the increased demands of a crisis and employees need to regularly monitor email to ensure responses are not delayed.

The potential for information management issues to arise during a crisis also needs to be considered. State and Australian government agencies collect an array of data about individuals. However an agency's obligations under the Privacy Act will impact on what information can be shared between agencies.

A common approach to privacy issues.	The Privacy Act can allow pragmatic decisions in times of national disaster. However, the need for personal data to be protected means it is difficult to collect information from different authorities to support ongoing whole of government work during a recovery period.
	Agencies may find it useful to develop a common approach to understanding the way in which the Act applies to their operations in a crisis. Without this common understanding, different interpretations of the Act can lead to inconsistent policy formulation and agency responses during the crisis.
Learning from other countries.	Approaches to whole of government crisis management in other countries can also provide learning opportunities for Australia. The UK Government has established rapid deployment crisis teams which can move within 24 hours to lead the government's response to an overseas crisis. The exact composition of the teams, possibly drawn from a range of agencies including foreign affairs, law enforcement and aid delivery, would depend on the nature of the crisis, from a natural disaster to a terrorist attack. The capacity of the teams to work together is likely to hinge on joint training opportunities. The pre-crisis development of a solid understanding between team members of each other's responsibilities and portfolio mandate would be vital.
Lessons from crises can have wider application.	Lessons learnt through crisis management can also be applied to other whole of government work. All agencies address business continuity issues and lessons learnt here can be disseminated throughout the APS using reports such as this one.

Public communication

Governments have to deliver in times of crisis.	Times of crisis provide a litmus test of a government's capacity to work cohesively to convey information, extend medical, financial and counselling support and provide reassurance and leadership to its citizens.
	Community expectations are influenced by a government's record in responding to previous crises, as well as by media commentary which closely shadows every government statement and action. The media impact on driving community expectations and turning public opinion cannot be underestimated by crisis managers.

As the crisis management response unfolds in the context of community expectations, government messages can be roughly divided into two categories:

- educational messages that seek to reshape community expectations in cases where expectations exceed the power and authority of the government

- reassuring messages that confirm that the government response will be generous and equitable.

Getting the balance right in blending these messages requires sophisticated and well-integrated public affairs management.

The importance of public affairs management in educating and shaping community expectations was underscored in the response to the Bali bombings. In the aftermath of the attack, there was considerable public anguish about the disaster victim identification process. The Indonesian Government implemented a positive identification process, in line with international norms and protocols. Although undertaken swiftly, the collection of information about victims from Australia meant that the identification process could not be undertaken immediately.

This generated anxiety within Australia. Calls were made for the Australian Government to assume responsibility in Bali, thereby overriding Indonesian sovereign responsibility for its coronial processes. Others suggested that Australia should encourage the Indonesians to set aside international norms, thereby running the risk that a less rigorous identification process might lead to a serious and tragic error.

Given the intensity of media coverage of the Bali attacks, the educational message was difficult to advance. However, primary agencies, such as the federal and state police services, DFAT and coroners, worked to send a single and simple message: that the positive identification process, which was being properly implemented by the Indonesian Government, was the only appropriate course. Media commentary and community expectations shifted fairly quickly towards a clearer understanding of the issue.

Reassuring messages to the community were delivered swiftly in the Bali example. Given a clear mandate to support Australians affected by the bombing, FaCS established a taskforce that arrived quickly to assist the community on a range of issues: emergency medical treatment, assistance for family members to visit loved ones at interstate hospitals, the establishment of family liaison officers to work one-on-one with those affected, and long-term packages of support. Experience has shown that a case management approach can

provide effective liaison and support for affected families. This should be based on clearly defined agency roles and responsibilities and be provided by appropriately trained employees.

Support packages in times of crisis require careful judgement.

Determination of the level of support provided to victims and their families required careful judgement. Issues of precedence were considered as similar support packages had been provided following other crises, including the 11 September 2001 terrorist attacks in the US and the Port Arthur massacre. There was also a need to be clear about the extent of flexibility around the application of the guidelines which provided assistance. This was important to ensure the government's approach was not criticised for being either too strict or too lax. Clearly, this balance was struck as media treatment and the community's response to assistance measures were uniformly positive.

In the aftermath of a crisis, the community's need will be for information more than for support. Over time, this will change.

It is important to carefully consider the full range of community needs in the aftermath of a crisis. As well as financial assistance, people affected need information and will naturally turn to media or other sources to meet this need. The Bali experience showed too that people directly affected crave information over emotional support, at first. Over time, as the implications of the crisis become clearer, community need will, however, turn to counselling and social support. Nevertheless, this switch from information to support needs to be judged carefully and timed correctly to ensure the government's communication efforts are appropriately formulated. In the aftermath of Bali, FaCS established a newsletter for affected families. The newsletter conveyed the government's key messages and ensured that the messages were tuned to the emotional and information needs of families at different times.

The most effective public affairs strategy will be delivered in an integrated whole of government fashion.

A major challenge in informing the community is to make sure every agency is giving out the same message. This is difficult in any whole of government task and more so in the fast-moving environment of crisis response.

While web-based information is an excellent way of providing a suite of information with links to partner agencies and other relevant sites which can be accessed at all hours, some caution is needed as some areas of Australia have difficulty opening and downloading some sites. Caution also needs to be used to ensure websites are not the only source for information.

In the Bali response, a number of different agencies needed to contact families to provide information on different elements of the government's response. DFAT consulted families about whether their loved one had told their family they were safe[2], while police were in touch with families to seek material for

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2   Following the attacks, the department pursued more than 5000 whereabouts inquiries triggered by families registering concern that their loved one may have been in Bali at the time of the attack.

the victim identification process, and Centrelink employees provided information about government assistance packages.

While each agency provided contact details about where cross-portfolio questions could be directed, none was initially able to answer queries from a whole of government perspective. However, a common set of questions and answers was quickly developed to meet this need. As Chapter 4 on information management and infrastructure makes clear, there is scope for the APS to become more sophisticated in anticipating and sharing whole of government information requirements to better meet the needs of those affected.

One option to ensure messages are conveyed consistently and to avoid multiple agencies contacting families in times of already high stress is to delegate authority to a single agency to represent the Australian Government. In planning for an approach like this, agencies would benefit from regular contact with each other during normal business operations (e.g. prior to Bali, contact between DFAT and Centrelink occurred only rarely). This would assist people to understand other corporate cultures and agency core priorities, roles and responsibilities.

Another option would be to establish a trained group of employees in a nominated agency to coordinate the Australian Government's liaison with affected families in times of crisis. A parallel might be the military reserve. Military action is not their 'day job', but they can go into action at any time.

The handling of media briefings in times of crisis is also important. In some cases, a media briefing might be more appropriately handled by departmental employees, given technical or other specific knowledge required on a subject. An example of this was the decision during the SARS outbreak to use the Commonwealth Chief Medical Officer to lead media briefings. Given the technical complexity of many potential crisis triggers (e.g. animal disease) there may be value in establishing a protocol to guide when departmental employees, rather than ministers, should lead public communications.

Work to integrate whole of government public affairs management has been taken forward by the Attorney-General's Department under National Counter-Terrorism Committee arrangements. This is aimed at ensuring that if there is a domestic terrorist crisis, careful public affairs management will reduce the scope for both rumour to replace information and for multiple or contradictory statements by different agencies.

These measures rest on five key principles:

(i)   The community has a right to be informed and information should only be withheld if its release would be to the detriment of the national interest, including operational security.

(ii)   Public information management and media liaison can play a key role in national security operations, and therefore must be strategic, accurate and undergo all necessary clearances.

(iii)   Agencies must not comment on another agency's area of responsibility without first seeking appropriate approval from the agency in question.

(iv)   All agencies have a responsibility to ensure they have a single point of coordination contact, as well as appropriately trained media liaison employees and resources to respond to any national security incident.

(v)   It is the responsibility of all agencies to ensure they have clear coordination processes within their own agencies, with their ministerial offices, and across agencies.

In order to embed these principles in organisational behaviour, training workshops are being run which bring together public affairs employees from various governments. These workshops will not only improve skills but also build links between media staff to ensure that a collaborative approach is taken during a crisis.

Partnering with non-government and private sector

Use strategic partnerships with non-government players in a creative fashion…

The community has high expectations about the substance of the Australian Government's actions during a crisis. It can be valuable to use strategic partnerships that agencies have developed in normal day-to-day business operations to assist in this response. In the Bali response, a company with longstanding experience in mass casualty incidents, Kenyons International, was contracted within 24 hours of the attacks to manage the repatriation of all deceased Australians on behalf of the Australian Government. Qantas also agreed to put on additional flights to repatriate the many hundreds of Australians who wished to leave Bali immediately.

…including the use of NGOs

From the non-government field, the Red Cross agreed to coordinate all voluntary requests for assistance from the community, drawing on its long record in the field of international humanitarian issues. The Red Cross was also a member of the domestic taskforce and provided important support to individuals such as non-Australian citizens who

were affected by the bombing but were unable to access assistance provided by FaCS.

Volunteers too may need to be integrated into the overall crisis response effort. Whether planning for crises at home or overseas, agencies need to include the capacity and desire of Australians on the ground to play a constructive role in the crisis response. Clearly, with the degree of volunteer support unknown until the crisis hits, this role needs to be carefully scoped and defined.

The likelihood of unaffiliated volunteers appearing should also be addressed. If there is no role for volunteers, this willingness to assist could translate into understandable frustration—most likely vocalised—about the Australian Government's handling of the crisis. The Department of Agriculture, Fisheries and Forestry has recognised in developing its foot and mouth plans the need to harness local communities, given their pivotal role in providing additional, appropriately qualified human resources to any foot and mouth disease emergency.

Ongoing consultation with the community is also important. Once a crisis has begun, it is also important that the affected community is involved in, and has a sense of ownership of, their own recovery. Consultation should also occur before a crisis, as part of an agency's contingency planning arrangements. There are some useful examples of how this consultation can occur. Over recent years, the government and livestock industries have reached a comprehensive agreement on the sharing of costs in dealing with outbreaks of 63 animal diseases. The agreement was a landmark as it established a positive partnership of responsibility and decision making involving industry.

APPENDIX 1 >> MANAGEMENT ADVISORY COMMITTEE WHOLE OF GOVERNMENT PROJECT: TERMS OF REFERENCE

Background

The Australian Government addresses major issues that fundamentally shape the future of Australian society over the immediate and longer term. These issues are becoming increasingly complex and their solutions often require strategic responses that cross the traditional boundaries of ministers' portfolios.

The Australian Public Service (APS), structured on the basis of portfolio responsibilities, currently has challenges and opportunities in its flexibility and responsiveness to meet this changing environment. Moving beyond the accepted structures, a whole of government view now requires new thinking and ways of working. The Management Advisory Committee (MAC) has initiated this project to provide pragmatic views on flexibility and responsiveness in policy development and integration, program design and implementation, and service delivery.

The whole of government experience across the APS to date may be described as chequered, with instances of complete and partial success. Learnings from effective processes, including governance, consultation and deployment, can be identified as aspects for replication in future developments. Less effective experiences, characterised by duplication of effort across agencies, gaps in coverage and slow responsiveness, offer opportunities to design better ways of planning and operating into the future.

The challenge is to:

- improve cross-agency coordination and collaboration while maintaining vertical accountability
- deliver programs and services in a seamless manner
- improve government's engagement with individuals and communities
- respond quickly and effectively to emerging issues and future crises.

Focus

The objective of this whole of government project is to improve coordination for the Australian Government through a more integrated approach to work which spans more than one agency, resulting in improved policy development, and program and service delivery to Australians. The project aims to add value to whole of government directions, and influence more effective future approaches that better deal with the complexities of stakeholder issues.

Consistent with the MAC whole of government agenda, the project will:

- articulate the different purposes and dimensions of whole of government approaches

- identify what is needed to facilitate and support effective whole of government approaches

- develop a good practice guide to assist APS agencies to adopt whole of government and integrated approaches, where appropriate.

The project will recognise and draw on the range of initiatives that are currently under way in Australia and overseas, and build on key management reforms in contemporary public administration to provide practical advice for improved delivery of the government's priorities, as identified by the Prime Minister in his lecture to the Committee for Economic Development Australia:

- national security and defence

- work and family life

- demographics

- science and innovation

- education

- sustainable environment

- energy

- rural and regional affairs

- transport

- health.

The project will consider these priorities in relation to integrated policies, programs and service delivery.

It will focus on:

- making connections while maintaining gains from devolution and business driven management

- engaging stakeholders while maintaining accountability to the government and parliament

- building shared infrastructure and a public service culture that can support improved connectivity and more responsive services.

Areas for investigation

The project will address the following six areas in the context of case study analysis and provision of recommendations.

1. *The budget and accountability framework for identified priorities:*
    –   identifying how the budget and accountability framework aids or hinders coordinated whole of government activities
    –   identifying enhancements to the framework that will support more effective horizontal management within and across agencies while meeting vertical accountability obligations to government and parliament.

2. *Structural options and processes, including interdepartmental committees, project teams and taskforces:*
    –   reviewing the culture and processes associated with cross-agency activities to improve coordination
    –   exploring alternative models of governance that may present better ways of making cross-agency teams more effective.

3. *Client and community-based approaches (including Indigenous, rural and regional):*
    –   identifying more effective engagement processes to ensure that individuals, organisations and communities are heard and heeded in the development of solutions to improve Australian society
    –   crafting effective strategies to address the specific needs of particular parts of the Australian community, particularly Indigenous communities, and rural and regional communities.

4. *Crisis management:*
    –   developing best practice approaches, based on learnings from recent and current crisis management situations, to improve speed, flexibility, cooperation and responsiveness for unpredicted and/or unpredictable events where success is absolutely critical.

5. *Information infrastructure:*
    –   in line with government priorities and the work of the MAC Information Management Strategy Committee, providing options to further enhance infrastructure-supporting activities, to partner with industry solution providers to extend access to technology-based solutions, and to prepare the way for emerging technology options that will impact on the Australian community in the immediate future.

6. *Culture and training in the Australian government public sector:*
    –   identifying cultural changes that can be introduced on an APS-wide basis and agency-specific basis to foster behaviours that support whole of government thinking and work, including the rewards system, promotion of APS values and styles, leadership development issues, workforce profiling and planning, and succession planning.

The final report

The final report will be a succinct analysis that concentrates on providing evidence through the use of selected case studies that provide enduring recommendations.

This will be achieved by:

- having a sound academic base, founded on a review of national and international experience

- identifying the drivers and barriers at the Australian government level

- providing an evaluation of the relative strengths and weakness of various mechanisms based on lessons learnt from contemporary case studies

- setting out core principles that underlie successful whole of government approaches from the perspectives of clients and stakeholders, ministers and Cabinet, and the APS

- having a practical focus, where recommendations will reflect a bias for action

- informing directions for implementing the government's priority policy agenda

- providing a targeted literature review

- providing a succinct international comparison of whole of government experience.

The report will contain the following deliverables:

- a concise history of whole of government activity in the Australian public sector

- pertinent case studies and analysis of lessons learned from these experiences

- a summary of key learnings

- practical recommendations covering the six identified areas of investigation

- a set of best practice guidelines for various whole of government mechanisms, where appropriate

- suggestions regarding new approaches to further advance whole of government business.

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	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): • 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.	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. 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. A joint team model was chosen because: • 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. 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.	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. 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. 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. 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.

2. Culture and capability

	Issues	Response	Key learnings
1	Combining more than 100 employees from two departments created a number of cultural challenges, including: • 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.	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. A number of initiatives have been implemented to create the cultural shift to a joint team: • 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.	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. 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. 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. 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. 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. 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.
2	Working in a whole of government team can be demanding for employees. There can be: • reduced ownership of issues • greater complexity and uncertainty • greater time pressures.	The team has actively recruited people who are suited to whole of government work. They have focused on employing people who: • have good communication skills • work well in teams • are able to deal with uncertainty and fluctuating situations • respond well to pressure.	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. The incentive for working in such an environment is that the task itself is attractive— providing career development and recognition.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	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.	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.	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.)
2	Common knowledge management systems are needed to facilitate efficient program delivery.	These systems were not in place at commencement of the team but have slowly been developed on an issue-by-issue basis.	Program delivery would be easier if seamless data systems were established up-front to facilitate common knowledge management.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	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: • 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.	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. Cross-agency delegations have been established, and there are joint financial decision-making structures at departmental and ministerial levels. Accounting for the team is done through a joint governance area, rather than through the separate departmental finance areas.	It is still necessary to have one department ultimately accountable, but both agencies need to be involved. 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. It would have been beneficial to align many of the systems at the outset of the team, rather than in an iterative process. Provision of cross-agency responsibility has the additional benefit of increasing learning and aiding the development of a joint culture.
2	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.	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.	Ministers are ultimately responsible for financial decisions that are based on agreed approaches. 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.

5. Making connections outside the APS.

	Issues	Response	Key learnings
1	The community expects a consistent whole of government approach to natural resource management rather than dealing with a multiplicity of agencies.	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.	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.
2	The joint team needs to meet the challenge of delivering programs at a regional and community level.	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. 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. 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.	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.

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.

AUSTRALIAN GREENHOUSE OFFICE

Objective

The Australian Greenhouse Office (AGO) has responsibility for coordinating the Australian Government's whole of government response to Australia's international obligations and national policy objectives on greenhouse and climate change. Climate change is an issue of global significance and the AGO is the world's first government agency dedicated to cutting greenhouse gas emissions.

The AGO was established in April 1998 as part of the government's response to the Kyoto protocol negotiations (an international treaty designed to limit global greenhouse gas emissions) and growing public interest in the threat of climate change. It is a symbol of the Australian Government's commitment to the greenhouse issue and provides surety of delivery of the Prime Minister's 1997 package, *Safeguarding the Future: Australia's Response to Climate Change*.

The AGO resides within the Environment portfolio, but has to reflect the interests of all interested parties. With its whole of government mandate, it adopts an integrated, balanced approach and facilitates both economic and environmental benefits for Australia in responding to greenhouse challenges. It consults with government and non-government stakeholders to ensure that Australia's national interests are promoted, that jobs and industry are protected, and that Australia plays its part in the global effort needed to reduce greenhouse emissions.

The AGO was initially established for two years and, in March 2000, its mandate was formalised when it became an executive agency under the *Public Service Act 1999*.

The corporate governance arrangements of the AGO have undergone significant change:

- from its establishment in April 1998 to October 2001, the AGO was accountable to the Ministerial Council on Greenhouse. This council comprised four permanent ministers and, depending on the agenda, included a further three ministers

- from November 2001 to December 2002, the AGO became accountable to a single minister, the Minister for the Environment and Heritage

- in January 2003, the AGO became formally responsible to both the Minister for the Environment and Heritage and the Minister for Industry, Tourism and Resources.

Australian Government agencies, including:

- Australian Bureau of Agricultural and Resource Economics
- Australian Greenhouse Office
- Bureau of Meteorology
- CSIRO
- Department of Agriculture, Fisheries and Forestry
- Department of Education, Science and Training
- Department of Finance and Administration
- Department of Foreign Affairs and Trade
- Department of Industry, Tourism and Resources
- Department of the Prime Minister and Cabinet
- Department of the Environment and Heritage
- Department of the Treasury
- Department of Transport and Regional Services

State and many local government agencies

Business and industry, including:

- Australian Aluminium Council
- Australian Industry Greenhouse Network
- Australian Industry Group
- Business Council of Australia
- Environment Business Australia
- Minerals Council of Australia

Non-government organisations, including:

- Australian Conservation Foundation
- Greenpeace
- National Environment Consultative Forum

Overview of learnings

The creation of a dedicated whole of government structure for greenhouse
has facilitated the development of a centre of excellence on greenhouse issues.
Australian government expertise is now focused in one organisation rather

than being spread across the public service—allowing knowledge to be built in a systematic way and facilitating the development of a powerful resource for the Australian Government. The development of the AGO has addressed the historically disorganised, sometimes conflicting, efforts across the many Australian government agencies to deliver consistent whole of government advice and program delivery on behalf of the Australian Government.

As a dedicated greenhouse agency, the AGO provides a centralised forum for progressing greenhouse issues by:

- freeing up other Australian government agencies from much of the interagency administrative burden, thereby enabling them to concentrate on the issues

- keeping negotiations moving and ensuring equality at meetings

- providing a forum to allow Australian government agencies to participate equally and deal with issues in an open manner

- providing a single point of access, with a comprehensive and coherent position on greenhouse issues, for stakeholders external to the Australian Government.

The effectiveness of the AGO in delivering on its mandate may be attributed to the following:

a. **Getting its corporate governance structure right:** The AGO's governance structure has undergone significant change over its five years of operation. The current structure—in which the AGO reports to the Minister for the Environment and Heritage and the Minister for Industry, Tourism and Resources—was developed in response to the need to project the right balance between environmental and economic concerns. This move fundamentally addresses the perception of balance in its operations, as much as it does the reality.

b. **Understanding the capacities of its stakeholders and responding appropriately:** For example, environmental non-government organisations are in a much better position to engage on climate change than the general community. The AGO has therefore tailored its consultation processes to the capacity of its stakeholders. The AGO has adopted a 'no surprises' platform, ensuring that policy is developed in a transparent manner and stakeholders are kept regularly informed.

c. **Establishing high-level support for developing policy:** For example, the Secretaries Group on Greenhouse is responsible for overseeing the development of the Climate Change Forward Strategy, providing impetus to the process and removing any blockages that arise. High-level support ensures ownership of issues within all Australian government departments and can overcome extant tensions across Australian government agencies.

d. **Recruiting the right people** with specific attributes for whole of government work and nurturing a culture of collaboration and shared outcomes. This aspect is paramount and supersedes any emphasis on structural overlay.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	There was a need for a structural whole of government approach to greenhouse because: • the Australian Government was receiving disparate, often conflicting, advice from different departments • greenhouse was emerging as a key policy issue • there was a need to deliver the Prime Minister's 1997 package, *Safeguarding the Future: Australia's Response to Climate Change*.	The AGO was established in 1998 to provide this whole of government mechanism, initially for a two-year period, and was located in the Environment portfolio. Employees were seconded from other agencies that were dealing with greenhouse at the time. In March 2000, the AGO became an executive agency. It remains within the Environment portfolio.	The development of the AGO provided a means of integrating the different aspects of the Australian Government's work on greenhouse. A consistent view is now presented, and the creation of a greenhouse team has enabled the development of a centre of excellence in understanding greenhouse issues. The AGO not only operates in a whole of government way, but it also facilitates greater involvement by other departments in greenhouse issues. It does this by: • undertaking much of the administrative work • keeping negotiations moving • dealing with issues openly. There is, however, a perception that institutionalising a whole of government approach is not necessarily the best option. Creation of a structure around an issue can lead to the development of a culture that may not reflect a whole of government view. This is carefully managed within the AGO to ensure that other agencies maintain ownership of issues and rigorous consultation is maintained. Operating within the Environment portfolio has created the perception in some quarters that the AGO plays too much of an advocacy role for environmental issues at the expense of economic ones. It has been suggested that the AGO may be better located within a central agency more generally seen as whole of government—such as Prime Minister and Cabinet.

	Issues	Response	Key learnings
2	The AGO needed an appropriate ministerial oversight/corporate governance model. There was interest from multiple ministers, and the governance structure needed to reflect the whole of government mandate of the agency.	The AGO has worked under three governance models. These are: **1. Ministerial council** model (Apr 98–Oct 01) where the AGO was accountable to a council made up of the ministers for: • the Environment and Heritage (Chair) • Industry, Science and Resources • Agriculture, Fisheries and Forestry • Finance and Administration. Also coopted to the Council, depending on the agenda, were the ministers for: • Transport and Regional Services • Foreign Affairs • Forestry and Conservation. This approach manifested the whole of government orientation of the AGO, but was administratively cumbersome. Furthermore, internally the AGO didn't always appear to have its own identity, and stakeholders found it difficult to identify the role and position of the organisation. **2. Single minister** model (Nov 01–Dec 02) where the AGO was accountable to a single minister—the Minister for the Environment and Heritage. This model was efficient in terms of decision making. However, there was a perception, in some portfolios and amongst stakeholders, that the model could cause the AGO to place undue emphasis on environmental factors, at the expense of economic factors. **3. Joint minister** model (from Jan 03) where the AGO is formally responsible to both the Minister for the Environment and Heritage and the Minister for Industry, Tourism and Resources. While this has placed an additional administrative burden on the AGO, it is helping the organisation to operate, and to be perceived to operate, in more of a whole of government manner. This model balances the tensions between stakeholder interest and expectations and effective Australian government decision making.	Perhaps the key lesson from the evolution of the AGO's corporate governance is that there is a need to balance the administrative difficulties of a reporting structure with the need to be perceived to operate in a whole of government manner. The single minister model, while administratively sensible, clearly created problems in terms of stakeholder perception. The current model of dual ministerial accountability appears to strike the appropriate balance. There is no perfect governance model for any situation and one size does not fit all. However, establishing the appropriate structures early on is a key step to successfully operating in a whole of government manner.

Structures and processes (continued)

	Issues	Response	Key learnings
3	The AGO is required to develop complex, broad-ranging greenhouse and climate change policies in a whole of government manner (e.g. the Climate Change Forward Strategy).	In order to facilitate the development of these complex policies, the AGO is involved in two main streams of policy development: 1. Australian government process reporting through interdepartmental committees (IDCs), a Secretaries Group on Sustainable Environment Committee 2. a combined Australian government and state process reporting through IDCs, the High Level Group on Greenhouse, and the Council of Australian Governments. A number of different consultation phases, with a range of different stakeholders, are also providing input into these processes.	High-level support is a key element in maintaining momentum in policy development. For example, support from secretaries through the Secretaries Group on Greenhouse has been vital in removing blockages and keeping processes on track. The Secretaries Group is run through a rotating chair process. The Secretary for the Environment and Heritage and the Secretary for Industry, Tourism and Resources share responsibility for chairing the group. This balance between the Environment and Industry portfolios is seen as beneficial to the overall policy development process because equal emphasis is seen to be placed on environmental and economic factors. Through the large number of IDCs that are used by the AGO—it has become clear that it is vital to clearly define roles and ensure that agencies provide the appropriate level of representation at IDCs.

2. Culture and capability

	Issues	Response	Key learnings
1	There were initial cultural difficulties at conception of the AGO. These arose because: • employees seconded to the AGO remained formally attached to their home agencies • employees also often remained attached to the greenhouse programs that they brought with them from their home agencies • employees were working under different certified agreements • there was no certainty about the life of the AGO (it was established initially for a two-year period).	There was a conscious and determined effort to develop a cultural identity for the AGO. This was greatly facilitated when the organisation became an executive agency in March 2000.	Most people interviewed for this case study identified a strong organisational culture as one of the key elements in successful whole of government work. The initial cultural difficulties experienced by the AGO were a limiting factor and one that had to be overcome in order for the organisation to move forward effectively. Establishment of the AGO as an executive agency removed some of the blockages in efforts to develop a strong cultural identity. Certainty was provided to employees about the ongoing nature of the organisation and all employees became subject to the same working conditions. Leadership, focused on delivering whole of government outcomes, was also identified as a key element in the successful operation of the AGO. Guidance from the top sets the tone for the operational nature of the organisation.
2	There is a perception among some stakeholders that the development of the AGO has led to the creation of another cultural 'silo'—bringing with it new challenges to operating in a whole of government way.	There is an ongoing effort to remain engaged with all other agencies and incorporate the views of all stakeholders as appropriate.	Institutionalising whole of government approaches—such as through the creation of the AGO—can lead to the perception from some stakeholders that ownership of the issues is relinquished to the new agency. Relationships with other agencies and organisations must be maintained to ensure effective whole of government operation.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	With two similar policy development processes occurring simultaneously —there is a need for appropriate information management.	The AGO ensures separate documentation is maintained for both processes.	Information management processes need to be identified and established early on. It is important to take into account security and information access issues.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	There were some initial problems for secretaries with accountability under the *Financial Management and Accountability Act 1997* because the AGO had not yet been established as an executive agency.	In March 2000, the AGO gained executive agency status.	Structures need to be established that enable clear lines of accountability.
2	Throughout the history of the AGO, the differing accountability models that it has been subject to have impacted differently on the effectiveness of policy development and program delivery.	The ministerial governance models were adapted over time—in part to enable the effective operation of the AGO.	If accountability mechanisms are too complex, such as the original ministerial council model, the effectiveness of an organisation can be curtailed. For this reason it is vital to establish the appropriate accountability structures.
3	There is a need for joint decision making between the Department of the Environment and Heritage and the Department of Industry, Tourism and Resources, but the AGO's budget is allocated within the Environment portfolio.	The dual ministerial governance model was established to ensure the appropriate balance between environmental and economic concerns.	The AGO's accountability to two ministers ensures that joint decision making occurs. High-level accountability mechanisms have a cascading impact throughout the agency.

5. Making connections outside the APS

	Issues	Response	Key learnings
1	Prior to the creation of the AGO, disparate and often conflicting messages were being delivered to the Australian Government and stakeholders on greenhouse issues.	The AGO was created as the Australian Government's lead agency on greenhouse issues.	Consistent advice is now presented to the Australian Government, and most stakeholders view dealings with the AGO as much more effective than previous consultations with multiple government departments. This reflects the importance of developing a consistent internal approach to an issue before consulting with stakeholders.
2	The AGO has to meet the challenges of consulting internally within the Australian Government to produce a whole of government view. These challenges include: • the need to balance strong stakeholder views • the fact that whole of government work is not the core interest for many Australian government agencies • in the early days of the AGO, negative feedback from stakeholders on the effectiveness and rigour of consultation processes.	A culture to consult rigorously has been developed within the AGO. This was seen as a key factor in the success of the agency. Responsibilities between the AGO and other agencies are now clearly defined —clarifying expectations and facilitating improved communication. High-level support for policy development processes (e.g. through the Secretaries Group on Greenhouse that currently oversees the development of the Climate Change Forward Strategy) has provided impetus to consultation processes.	More regular and personal follow-up with agencies/ stakeholders tasked with providing input was valuable to overcoming blockages. This requires more effort but leads to better results. Rigorous consulting to achieve whole of government views leads to time pressures (i.e. consulting with multiple agencies, multiple layers of sign-off), but is necessary to ensure that policy development does not stall as it goes up the line. The success of the development of a whole of government position depends very much on the perspective of the particular agency involved. If an agency perceives its particular view has been represented, it is more likely to consider that a successful whole of government view has been developed.

	Issues	Response	Key learnings
3	The evident need to have effective consultation with the states.	A consistent Australian government view is presented to the states and a range of both formal and informal mechanisms exist to facilitate consultation with state governments.	The development of a lead Australian government agency on greenhouse is seen as beneficial by the states because they are presented with a consistent position on issues. It is considered that consultations at the program level are much less complicated than at the policy level. This reflects to an extent the differences in policy direction between the states and the Australian Government.
4	The need to develop greenhouse and climate change strategies that incorporate the views of: • the community • industry • non-government organisations (NGOs).	The AGO ensures that these stakeholders are involved in the development of major national greenhouse policies. Formal mechanisms have been developed to ensure that the range of disparate views are incorporated and presented to the Australian Government.	The AGO has found that effective consultation requires a strategic approach. The timing and extent of consultation must be determined for each stakeholder group. Of particular importance for defining these steps is the capacity of particular stakeholders to engage on greenhouse issues. For example, environmental NGOs have a history of engagement on greenhouse issues that the wider community does not. It is therefore more practical to consult with the NGOs at an earlier stage in the process when issues are more fluid because of their greater capacity to provide input into the process. Common to all stakeholders is the need for no surprises. The process must be open and transparent—allowing ownership of issues.

Sources

Interviews

Interviews were conducted to provide a diversity of views about the AGO—from its establishment to its operation. Interviews were conducted with senior and junior employees from the Australian Greenhouse Office, the Australian Government Department of the Environment and Heritage, and the Australian Government Department of Industry, Tourism and Resources, and a number of external stakeholders.

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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	The role of the lead or central agency.	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.	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. 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.
2	The complex multi-agency nature of tasks involved required careful management of a wide range of issues.	Key agency-based whole of government management mechanisms included: • **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.	A project the size and complexity of AWT benefited from an integrated rather than a silo-based approach. Communication and relationship management need regular attention and effort. Multiple levels of managers needed to be actively engaged and managed to assist in the coordination process.

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.	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. 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.	Co-location can work better with small teams than with larger teams. A concerted focus on team building may be needed. Consider allowing teams made up of members of different agencies to remain in their home agencies rather than locating them together. Use regular (but not too frequent) meetings and other approaches to build links.
2	Managing people on taskforces with diverse views and approaches derived from different organisational cultures.	Preparedness to participate in open and frank discussions about the difference in culture between agencies.	Acknowledge, explore and address cultural differences openly at the outset. Consider the use of a professional facilitator or similar, if appropriate. 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. Provide training and development around working in a non-standard environment such as a whole of government team. Direction from the top is needed to ensure there is a basis for a common understanding.

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	Strong governance arrangements across FaCS, DEWR and Centrelink were essential to ensure policy was delivered effectively.	Processes were established to align with the broader business partnership agreements in place between client departments and Centrelink. These included: • 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.	Establishing roles and responsibilities for each participant, and how these complement one another was essential. Formal project management can be a constructive part of quality assurance and risk management processes. The number and structure of committee processes need to be streamlined and kept under review.
2	A strong outcomes focus was embedded in the strategy: evaluation of effectiveness was an integral part of AWT right from the start.	A whole of government approach was taken in designing the AWT Evaluation Strategy: • 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.	Early and joint development of evaluation strategies is essential and constructive in whole of government projects.
3	Complexity of preparing joint funding submissions and attributing costs and savings to the appropriate agency.	The Department of Finance and Administration (Finance) was consulted and provided useful advice.	Expert assistance from specialists, such as in Finance, can help ensure relevant issues are covered off. Check funding models for consistency of approach. Agencies need to be open to cross-portfolio funding arrangements.

5. Making connections outside the APS

	Issues	Response	Key learnings
1	Complex nature of engagement with the community, key stakeholders and eventual 'end users' of new policy.	Approaches to consultation included: • 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.	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.
2	Bringing trusted stakeholders inside the confidentiality of policy development and decision making can greatly assist complex or sensitive policy development processes.	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.	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.

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.

COUNCIL OF AUSTRALIAN GOVERNMENTS
WHOLE OF GOVERNMENT INDIGENOUS TRIALS

Objective

This case study provides an overview of the work being undertaken to implement the Council of Australian Governments (COAG) decisions of November 2000 and April 2002, through which all Australian governments made a commitment to trial working together to improve the social and economic wellbeing of Indigenous people and communities. Governments agreed, in partnership with Indigenous communities in up to ten regions, to provide more flexible programs and services based on priorities agreed with communities. Evaluation of the trials would be premature at this stage, but this case study aims to describe the approaches and mechanisms which have been developed so far.

The key objectives in the COAG trial sites are to:

- tailor government action to identified community needs and aspirations

- coordinate government programs and services where this will improve service delivery outcomes

- encourage innovative approaches

- cut through blockages and red tape to resolve issues quickly

- negotiate agreed project outcomes, benchmarks and responsibilities with the relevant people in Indigenous communities

- work with Indigenous communities to build the capacity of people in those communities to negotiate as genuine partners with government

- build the capacity of government employees to work in new ways with Indigenous communities.

It is anticipated that models will emerge from these trials that will have broad application.
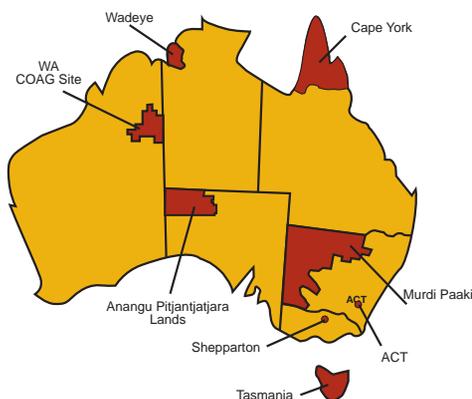
Since April 2002, seven trial sites have been announced across Australia. The sites are Anangu Pitjantjatjara Lands (South Australia), Cape York (Queensland), Murdi Paaki (New South Wales), Shepparton (Victoria), the East Kimberley region in Western Australia, the northern region of Tasmania and Wadeye (pronounced Wod-air) in the Northern Territory. An announcement on the ACT is expected soon. In each of these sites an Australian government secretary and their agency have

taken the lead and carry primary responsibility for the Australian Government's response in that area, with other agencies operating as partners. The agency head in the lead agency has a particular role as 'champion'.

Introduction

To even begin working in this new way, governments and Indigenous communities needed to develop a shared understanding of what the trials are about and what new roles stakeholders can and should play. Different relationships needed to be established. Much of the work to date has been about 'getting to the starting line'. Progress towards making the more visible improvements to the issues concerning Indigenous people, such as economic development, education and family strengthening, is expected to come over the next months and years. Similarly, learning that can inform practice in other places will also be harvested.

By its very nature, this project has involved extensive interaction and cooperation with state and territory governments, with Indigenous communities and with a variety of organisations. A variety of consultative and other mechanisms has been developed.

This report concentrates on explaining the structures developed by the Australian Public Service (APS) to support this large and complex whole of government project. The principal structures developed to support the Australian Government's response are as follows.

Ministers

The Minister for Immigration and Multicultural and Indigenous Affairs represents the Prime Minister and is responsible for this COAG initiative. A group of ministers with key responsibilities meets to consider these issues.

Secretaries' Group on Indigenous Issues

For this initiative, a strategy has been put in place that gives day-to-day accountability at the Australian government level for progress in each trial site to an individual departmental secretary (or sponsor), whose agency will act as a lead agent within a trial site(s). The secretaries are members of the Secretaries' Group on Indigenous Issues (the Secretaries' Group), chaired by the Secretary of the Department of Immigration and Multicultural and Indigenous Affairs, which meets once a month to oversee progress. They are supported by the Indigenous Communities Coordination Taskforce (ICCT) and their own departments.

The Chief Executive Officer of Aboriginal and Torres Strait Islander Services (ATSIS) is a member of the Secretaries' Group and ATSIS plays a vital role in guiding and supporting activity in the trial sites.

Indigenous Communities Coordination Taskforce

The ICCT is responsible to the Secretaries' Group for leading coordination across Australian government agencies and with state and territory governments, and for monitoring Australian government performance, including feedback to and from Indigenous communities under the whole of government initiative. Key areas of responsibility include:

- achieve agreement on trial sites with governments and communities

- assist lead agencies to establish their role

- develop appropriate monitoring, evaluation and other operating frameworks necessary for implementation of the whole of government trials

- clearly define emerging roles and responsibilities of lead agencies

- agree with secretaries on operational arrangements for the implementation of whole of government trials

- develop an education and training framework for line staff in agencies

- build on existing profiles for both monitoring and building baseline data for evaluation

- develop and implement a simple project tracking, monitoring and progress measurement system to:

  - provide accurate and comprehensive whole of government data on trial site projects and monitor and analyse these projects using a cross-government approach

  - document how agreement was reached on priorities with state and territory governments and communities and the lessons learned in that process

  - identify innovative and successful approaches and communicate them across other regions

  - provide feedback to other departments and agencies about the implications of new approaches for Indigenous-specific or mainstream programs (e.g. if one trial site identifies a helpful innovation in use of the Community Development Employment Program).

Lead agencies

The Australian Government's lead agencies are at the forefront of change in APS approaches to the COAG Indigenous Trial. Secretaries have accepted key roles as champions for their regions and are the main drivers of change at the Australian government level. The activity of lead agencies has developed over the past 12 months, and includes:

- tailoring government action to identified community needs and aspirations

- coordinating government programs and services where this will improve service delivery outcomes and, where necessary, extending flexibilities in program guidelines to accommodate whole of government initiatives

- encouraging effective partnership arrangements across agencies and governments and innovative approaches traversing new territory

- breaking down silos and cutting through blockages and red tape to resolve issues quickly and avoid fragmentation

- working with Indigenous communities to build the capacity of people in those communities to negotiate as genuine partners with government

- negotiating agreed outcomes, benchmarks for measuring progress and management responsibilities for achieving those outcomes with the relevant people in Indigenous communities

- building the capacity of government employees to be able to meet the challenges of working in this new way with Indigenous communities and to understand how to deliver on whole of government approaches and outcomes (inclusion of whole of government outcomes in performance appraisal and assessment for relevant employees)

- identifying and clarifying relevant cross-portfolio accountabilities consistent with outcomes specified in the individual agency Portfolio Budget Statement

- effecting cultural change at all levels.

Some examples of progress to date

Improving relationships

All lead agencies now have employees working with the trial site communities. They are supported by the lead agency and the ICCT.

To get things done, the people in the sites need to develop effective relationships with community people and with a wide range of officials. Sustained progress depends on the quality of these relationships.

Changing the way we work

With resources and accountability:

- the Department of Employment and Workplace Relations, ATSIS and the Department of Education, Science and Training (DEST) made a single, tripartite agreement to fund the creation of secretariat support positions for each of the Community Working Parties in Murdi Paaki.

- A single contract with the community for government agencies is being used in Wadeye to limit the administrative burden on the community.

By supporting Indigenous leaders:

- Cape York Institute for Policy and Leadership is funded by DEST and Education Queensland and by an in-kind contribution from Griffith University.

By holistic approaches to development:

- Government agencies (Australian and state) business and traditional owners have supported the development of the Weipa Multi Purpose Facility which provides accommodation for 32 secondary school students, alongside a post-school training facility linked to the local employment market (Weipa and Comalco).

- In support of the Western Australian COAG site, the Minister for Justice and Customs has approved funding of $50 000 from the National Crime Prevention Program to assist communities in the region hold a series of bush meetings on justice issues.

Challenges ahead

Maintaining momentum

The trials have highlighted the kind of work that needs to be done. Efforts to simplify the administrative burden on communities and to re-skill public servants are still at an early stage. The development of governance and of leaders to support new structures in Indigenous communities is beginning. While an evaluation is planned at two and five years, it is anticipated that focused effort will be needed to cement gains.

Embedding the drivers of change

To be successful, the COAG Indigenous Trials need to effect long-term cultural change within the APS. Leadership throughout the APS is critical to embedding these changes and to ensuring that working in a 'whole of government' way becomes the norm. Changing the way the APS works with state and territory governments, Indigenous communities and people, and a range of other stakeholders may require a new approach. The trials are meant to demonstrate what is working and what is not. Actively looking for lessons to be learnt will be an important driver of change.

Engaging with the corporate and non-government sectors

Government is not solely able to provide the resources and skills necessary for a sustainable future. Business and philanthropic partners are sometimes better placed and skilled to work closely at the community level.

Consultations are under way to develop a framework to strategically engage other sectors with Indigenous communities. This has been met with enthusiasm by the corporate and philanthropic sectors.

There is also the issue of how to build capacity in communities to deal with governance, dispute resolution and counselling and the time required for community development processes to bear fruit.

Communities at each trial site are at different stages and outcomes will vary significantly over the next five years. Some communities, for example, had already done considerable work regarding financial and alcohol management and welfare reform before the Trial process began, and work has also continued. The Wadeye community has undertaken a lot of work over recent years to develop their community governance arrangements. South Australia and Western Australia are at a much earlier stage of the process. NSW and Victorian sites will take a wider focus due to the more diffused and varied nature of the communities.

GOODNA SERVICE INTEGRATION PROJECT

Objective

The Goodna Service Integration Project (SIP) was developed to test how community and government and non-government agencies can work together to improve community wellbeing. The development of a transferable model of human service integration for other regions of Queensland was a key goal.

The community of Goodna is situated between the outer boundaries of Brisbane and the regional centre of Ipswich and has a population of 9000. It has long recognised problems stemming from significant socioeconomic disadvantage, including a high rate of unemployment, low household ownership and a significant incidence of child abuse and domestic violence.

As a state government-funded service, initially aimed at addressing a local crisis, Goodna SIP focused on enhancing the capacity of government agencies to develop integrated responses to community needs through the development of collaborative relationships between state, Australian government and local government agencies active in delivering services in Goodna. The project was a partnership between the Queensland Government, Ipswich City Council and the people of Goodna. Australian government involvement was at the regional level through membership of the Service Integration Project Team.

Funded from September 2000 to March 2003, Goodna SIP's broad aim was to reform and improve government processes and structures according to local need. Changes were informed by research and aimed at ensuring that delivery of human services were better planned and integrated, and improved overall community wellbeing. Specific areas for review included the ways in which government approached planning, funding, implementation and evaluation strategies to reduce crime, improve school retention rates, improve community health, as well as a variety of other issues identified as important by the Goodna community.

Key players

Key players were:

- the Goodna community (e.g. Pacific Islander community, Goodna State School P&C, Goodna Special School)

- non-government agencies (e.g. Ipswich Women's Centre against Domestic Violence, The Smith Family, St Vincent de Paul's Community Services, the Queensland Government)

- local government

- University of Queensland

- the Australian Government at a regional level through Centrelink and Department of Transport and Regional Services (DOTARS)

- The Queensland government.

Overview of learnings

The project identified the following learnings:

- how to work collaboratively with different organisations (state government, universities, local government in conjunction with local neighbourhoods)

- that relationships will make or break a project—relationships are built on frequent communication and excellent interpersonal skills

- that personal commitment (e.g. expressed through each team member signing up to a shared protocol) can motivate people more effectively than departmental drivers

- that developing a story that others could engage with, as people changed within organisations, is important—followers can come in and pick up on the story

- that putting emphasis on sustainability and the development of sustainable processes from day one is important

- that government does not 'drive' is important—government must engage the community sector and enable them to set their priorities and then link them with government priorities.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	There were not only changes needed to the overall program of service delivery, but also to the way front-line staff carried out their tasks.	Policy and funding frameworks were reviewed. Outcomes were developed which reflected primary aims of each participating agency and were aligned with the state government performance measurement framework and priority needs of the Goodna community.	It is important to align outcomes to reflect both agency and community requirements—for example, increased local job opportunities. Some issues were very hard to address —for example, transport.
2	When SIP started, government program and policy units that were centrally located did not have a regional or neighbourhood focus. Also, multiple agencies at the neighbourhood level were poorly coordinated.	The needs and aspirations of the Goodna community became the priorities of government and service agencies. Building relationships and promoting learning and evaluation achieved this.	Centrally located agencies need to focus their efforts at a neighbourhood level to be successful in a community like Goodna.
3	Focus was needed on how to ensure the project could continue to operate and achieve outcomes after the initial SIP project officer coordinating position was withdrawn (i.e. maintain sustainability).	A detailed transition strategy was developed between agencies and community members.	Transition strategies take a lot of time and careful planning and need to be thought about right from the beginning of a community project.

2. Culture and capability

	Issues	Response	Key learnings
1	Strong leadership was needed for this project as the issues facing Goodna had been a problem for a long time and attempts at addressing these problems had been unsuccessful.	Ipswich City Council and University of Queensland took the leadership role and championed the project through a dedicated project coordinator and researcher/educator position.	Using carefully selected champions with agreed roles can be important in building momentum to achieve the right outcomes.
2	There was a need for a dedicated project coordinator for this complex community development project requiring service integration.	Project and research officers took the project forward and facilitated community and agency interaction and commitment to solving problems.	There needs to be dedicated resources—for example, a paid coordinator to facilitate integration and collaboration.
3	The problems in the Goodna community have been long and enduring and government attempts through individual agency interventions have not been successful. The community was cynical about previous government attempts at service integration.	The SIP demonstrated it would be different from previous attempts by delivering early wins. SIP also ran ongoing consultation forums to ensure open and honest communication. This included the development of long-term community forums.	It is important to establish integrity up-front and quickly to get community on board and establish credibility through some quick wins.
4	When the project started, neither the staff of agencies nor key community members necessarily knew how to go about integrative and collaborative ways of working.	The project team leaders were proactive in fostering a learning culture such as consultation and communication skills, trust, community development skills and challenging traditional problem solving.	It is essential to challenge traditional ways of solving problems and be prepared to unlearn old ways and learn new skills.
5	Formal and informal learning by agency staff and key community members was seen as a critical part of the project and was encouraged.	Formal learning programs (short and long courses) in collaborative leadership were developed by University of Queensland. Students were from government and community with special support for members of disadvantaged communities.	Having a formal course as part of a whole of government project helps ensure ongoing systemic change through application of learnings.
6	Staff from different organisational structures (e.g. different levels of government and non-government organisations) needed to develop skills and capacity to fully collaborate.	Position descriptions and performance agreements were rewritten to place more emphasis on acquiring, using and assessing new skills such as communication and consensus building.	A need for new or unusual skills sets should be identified at the outset of a project and emphasis placed on ensuring that people with these skills are selected for appropriate positions or that training is provided.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	There was a need to create information infrastructure tools—for example, a community website.	Community consultation identified a desire for a website. It was built, and featured key information about community and government providers servicing Goodna and a listing of local businesses in the area.	Creation of tools that communities want is important in work with community agencies and builds local people's skills.
2	Regular communication about project progress with all stakeholders was regarded as vital to their continued support for the project, particularly as small projects developed under the SIP umbrella.	A name/address database was established to enable regular communication and was updated quarterly through mail-outs.	Communication mechanisms such as newsletters or emails to stakeholders can provide valuable gains in involvement and provide mechanisms for input, regardless of location.
3	The sensitivity of some issues being addressed in the project, such as child abuse, meant that there was reluctance and uncertainty about sharing some information.	An agreed process was developed which meant explicit permission was obtained from families for this information to be shared with other agreed parties.	Issues that have been dismissed as 'too hard' can be addressed through new solutions such as asking those affected for their own solutions and ideas.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	Tensions were created by different agency approaches to, and requirements for, measuring inputs and evaluating spending.	A measurement and modelling strategy was established to design indicators to assess community wellbeing. This tool has state and national significance in terms of its capacity to better allocate resources in areas of critical community service need at a neighbourhood or regional level.	Benchmarking in human services is an area of critical importance. This work will provide key learnings in this area. The tool could be used widely.
2	Resources needed to be coordinated and obtained from different agencies to support project officer positions at a local level.	State government provided funding for positions, while other agencies, local government and the University of Queensland provided resources such as staffing and administrative services.	Resourcing arrangements should be explicitly examined and agreed at outset of the project, especially where they cross jurisdictions.
3	Each SIP-initiated project needed to work more creatively with existing resources and in accordance with SIP goals and state government priorities.	To get the best results from available resources, this project looked at the full complement of programs across all agencies before allocating extra resources.	The challenge is to use existing agency resources much more effectively and efficiently. Look across programs and be creative.
4	Funding was not provided for an overall external evaluation of Goodna SIP. However, the outcomes of each program within the SIP were evaluated through clear performance indicators. It has been stated that the performance of the network structure used for collaboration between agencies could not be judged by traditional evaluation methods. This structure focused on community meetings and could only be evaluated qualitatively.	The SIP used continuous assessment and learning for each of the components of the SIP. Surveys were undertaken to obtain baseline data for the possibility of a longitudinal study of the Goodna community.	Innovative approaches to evaluation can help in demonstrating project success. Community meetings provided an ongoing informal evaluation to reality check that SIP was addressing the major issues of concern. It is also important to have formal evaluation to measure outcomes, particularly for government funding.
5	Government departments had little flexibility to pool resources/funding to address problems at local level.	Resources were allocated on the basis of negotiated outcomes across agencies.	Results can still be achieved without formal sharing or pooling of agency resources.
6	There were differing reporting and accountability requirements for different organisation types.	At key points, such as clearance of the final report, there was confusion over who had responsibility.	Try to streamline, align or agree on accountability and reporting arrangements at the commencement of the project.

5. Making connections outside the APS

	Issues	Response	Key learnings
1	A community development process was required to address the needs of the Goodna community.	Key regional agencies prioritised community development processes—that is, working with community representatives and helping Goodna residents build their own skills and leadership.	It is essential to not only develop but sustain relationships, including effective community consultation/engagement processes.
2	People and agencies had to work together for the first time.	Formation of network structures, including a community forum (involving all stakeholders) which was a mechanism for issues to be fully discussed, prioritised and acted on.	It is essential to build the capacity of communities to own and address their own issues over the immediate and longer term.
3	With no new resources to distribute, SIP's interest had to be in better service integration, not new services.	One-stop shop and central coordinating agency approaches were rejected. Instead, existing agency resources were used in a more strategic and integrated way.	Focus on integrated services at the level of delivery rather than develop a single system.

Major takeaway messages

'The community at this late stage is acknowledging that services in Goodna are improving significantly, because they know what is happening.'

'Yes, absolutely whole of government works and is absolutely essential to dealing with complex problems. But it takes time, resources, learning, skill development, relationships and therefore please, please, please only do it when systems are in crisis, don't just do it all the time because you will burn people out.'

'We are doing what we know we should in the end, it's not that we know this is straightforward, people know they need to collaborate, they want to collaborate, but they have to get past all the constraints. You do what you need to facilitate this.'

Sources

References

Goodna Service Integration Project: *Doing what we know we should* —Final Report.

Goodna Service Integration Project: *Learning stories*.

Goodna Service Integration Project: *Project overview*.

Interviews

Catherine Boorman, former SIP project manager.

Dr Geoff Woolcock, former SIP research project manager (University of Queensland).

Father Brian Fitzpatrick, community leader and chair/member of several Goodna committees related to the project.

*i*consult

Objective

*i*consult was to have been a secure electronic information exchange system to enable Australian government departments to share information about community consultations.

Committees, groups and associations in the community frequently engage with the government about a whole range of issues and projects. Consultations can span a range of Australian government departments, as well as different levels of government.

*i*consult was a whole of government project to develop a new information and communication technology (ICT) tool to respond to community concerns about over-consultation. *i*consult had the potential to inform participating agencies of previous Australian government activity in specific locations and the outcome of those consultations.

The system was developed as a prototype by the Department of Transport and Regional Services (DOTARS) in 2001 and ran as a pilot for eight months.

The *i*consult case study covers the *i*consult pilot project and includes information about its progress, implementation—and eventual lack of success. Participation across government was required in the pilot stage to ensure it was properly developed and used. However, full commitment to its use was not obtained and users were not obliged to take it up, test it, or further its application. Its potential to benefit communities was therefore not realised.

*i*consult was developed under the More Accessible Government (MAG) initiative which was announced in June 2000 to improve community access to Australian government funding programs, information and services, and to streamline grants administration. MAG was a whole of government initiative and involved 15 Australian government agencies. All agencies had the option of participating in the pilot of *i*consult.

The MAG initiative was supported by the MAG Working Group and two interdepartmental committees (IDCs). These structures carried out the work of the initiative. DOTARS provided and funded a team of five as secretariat support. Membership of the IDCs was not always consistent, and time was wasted through duplication of subject discussion and obtaining commitment to the project.

The *i*consult system was simple to use. Users needed only to log on and enter information into a calendar about forthcoming consultation. Once the consultation had taken place, users could update *i*consult with a summary, which could be filed on paper or electronically. There was no expectation that users would undertake any extra work. However, this was cited often as a reason for not using *i*consult. Revision of work processes may have been required, but this aspect was not addressed in the implementation.

A great deal of support and enthusiasm was generated for *i*consult by agency representatives. However, despite the simplicity and benefits offered by

*i*consult, its full potential was not realised. The *i*consult site has now been decommissioned.

The greatest contributing factor to the lack of success of *i*consult was its lack of use. Reasons for not using *i*consult included 'not enough time' and 'lack of guidance on what information is allowed to be shared between agencies'.

Initial funding for the development, implementation and maintenance of *i*consult was provided by DOTARS. Without an ongoing funding base, and without contributions from participating departments, the MAG secretariat found it difficult to obtain appropriate funding for the project.

Key players

Agencies represented on the MAG Working Group were:

- Department of Communications, Information Technology and the Arts
- Department of Finance and Administration
- Department of Family and Community Services
- Department of Agriculture, Fisheries and Forestry
- Attorney-General's Department
- Department of Immigration and Multicultural and Indigenous Affairs
- Department of Treasury
- Department of Employment and Workplace Relations
- Department of Health and Ageing
- Department of Industry, Tourism and Resources
- Department of Veterans' Affairs
- Department of Education, Science and Training
- Department of Environment and Heritage
- Department of Transport and Regional Services
- Department of the Prime Minister and Cabinet.

All departments had the opportunity to contribute to the *i*consult project; however, interest tended to be from departments more likely to participate in community consultations. Departments which signed up to trial *i*consult were:

- Transport and Regional Services
- Health and Ageing
- Attorney-General's
- Environment and Heritage
- Family and Community Services
- Education, Science and Training
- Veterans' Affairs

Both the Aboriginal and Torres Strait Islander Commission and the Department of Employment and Workplace Relations expressed an interest in joining the trial but this did not eventuate.

Overview of learnings

The objectives of whole of government activities need to be clearly understood and agreed by all participants, including a sense of the big picture. Lack of understanding of a big picture objective of whole of government work can result in a lack of commitment to the project.

It is important that agencies taking part in whole of government activities understand and agree to the level of commitment expected. Commitment should be reflected through the work of representatives on interdepartmental committees and relevant stakeholders taking part in the activity.

If necessary, participants need to be given explicit permission to work on whole of government activities within a culture that accepts whole of government as a legitimate way of working rather than an 'add-on' outside core business.

It is important that whole of government projects be properly scoped, supported if necessary by a business plan, and have sufficient dedicated funding to allow different stages to be implemented appropriately.

The development of new technology in itself does not guarantee success. Attention needs to be paid to associated cultural issues that may block take-up of new technology. These issues can be addressed through the development of communication and change management strategies. A high-level mandate to use new technology can also add to the likelihood of success.

Agreement about what can be shared across government needs to be formalised.

Senior champions across agencies can assist in driving success.

There needs to be clear communication flows at all levels—while broad project management of *i*consult was considered to be friendly and efficient, the structure of other groups working with the project at times appeared to hinder the flow of information.

Involvement at a senior level from the start of a project such as this can result in greater overall participation downstream.

A pilot phase can help evaluate the value and likelihood of new technology as an ongoing product.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	Representation on the IDC responsible for the development of *i*consult was not always consistent or reliable.	Inconsistency in representation meant subject matter discussion was often duplicated and time was wasted. Members of IDCs were encouraged to attend and times of meetings were managed to increase participation.	Agencies need to understand and agree formally to the level of commitment required. This commitment should also be understood by representatives and participants in IDCs.
2	Participation (and leadership) was often only with 3–4 agencies and thus not all departments were represented effectively. Representatives often attended based on personal interest rather than departmental interest.	Without full representation, commitment was not ensured and information did not filter through to potential users —for example, after four months *i*consult was unknown to employees in some state/territory/ regional offices. As a result focused demonstrations were held in Queensland and Northern Territory in December 2002. This did not result in an increase in take-up.	If the activity's objective is to affect all of government then whole of government representation is important. It is important to include key stakeholders/players throughout a project —this can make or break ownership and success.
3	The IDC responsible for iconsult did not meet with the MAG Working Group, which had responsibility for decision making and sign-off of the different phases of the project and finances.	Without communication between the two relevant IDCs information was provided separately to the MAG Working Group, resulting in duplication and wasted time. This did not help to progress timely completion of phases of the project.	Where there is more than one IDC responsible for a whole of government activity it is important to keep appropriate communications channels open to avoid duplication and wasted time.
4	Selection of representatives for the IDCs was made at national level. Potential users were at state/territory/regional level and they were not represented on the IDCs.	With representation at national level only, the state/territory/regional offices, potentially the biggest users of *i*consult, had little input into the development and implementation of *i*consult.	Careful selection of representatives for IDCs should be made to ensure appropriate areas are represented.

Structures and processes (continued)

	Issues	Response	Key learnings
5	There was a clear need for representatives on IDCs to advertise and encourage the use of iconsult within their agencies. Each representative chose an individual strategy. This was not successful.	IDC representatives tried to encourage use; however, most were not users of *i*consult and possibly were unable to market it effectively. Responses to their strategies indicated that: • prospective users had not been canvassed properly • there was no unified strategy by agencies to incorporate it in their work processes • *i*consult was presented as optional rather than a required activity of program management.	If full participation is required for the success of a whole of government activity and realisation of the full benefits, then a clear mandate needs to be given. 'Optional' participation is not an option. A single agreed communication strategy developed in consultation with all participants can drive success.
6	The communication strategy developed for the implementation of *i*consult did not have full agreement by all departmental representatives.	Departments did not have ownership of the communication strategy and thus did not support it; the result was that certain implementation aspects of *i*consult were not fully addressed by the agencies involved.	Whole of government IDCs should ensure that representatives have full ownership of communication strategies for whole of government activities.
7	The key risk of the project —that *i*consult would not be used—was not fully addressed during the implementation phase.	The representatives were made fully aware of the desired outcomes and potential of the system. The launch was attended by 59 senior employees from 17 Australian government agencies. Implementation issues were not addressed due to: • limited resources for training and implementation • focus on national office • little information and training given to state and regional offices • lack of change management in incorporating a new ICT system.	Ensure the whole of government activity has full participation by the right people—people who can fully represent work areas that are affected by the whole of government activity. Involvement should be from initiation through to implementation to ensure full ownership, understanding and support for the activity. Ensure appropriate resources are assigned to all phases of the activity.

2. Culture and capability

	Issues	Response	Key learnings
1	Tension relating to commitment and ability of some agency representatives to respond to project requirements—this included a reluctance to work outside core business and issues around funding.	Participants working on the *i*consult project were not able to contribute a great deal (outside committee meetings), which meant: • DOTARS carried the workload • DOTARS had carriage of decision making, development and implementation options without full participation from other agencies • smaller agencies were unable to participate • level of commitment was aligned with the level of influence that representatives had in their agencies.	Development of a collaborative culture with commitment to agreed roles can help drive success. Employees need permission to contribute to whole of government activities outside their core business.
2	Representatives did not have sufficient influence in their agencies to mandate use or the full trialling of the *i*consult system.	Use of *i*consult was deemed optional, meaning it could not be properly assessed for full implementation.	Full commitment should be gained from participating agencies from the outset.
3	All potential users of *i*consult were not consulted during its development and little was done to address potential blockers to its take-up.	By not addressing the blockers or issues during the project, work practice or information-sharing tensions were not evident early on. This meant enthusiasm and rate of registration to use the system was not matched with actual use. It became obvious after four months into the pilot that there were tensions about using the system.	Strategies to address cultural issues should be developed —for example, a change management strategy and/or communication plan.

2. Culture and capability (continued)

	Issues	Response	Key learnings
4	Difficulty in getting full support and cooperation for product implementation.	The MAG Working Group, developed mechanisms to encourage take up: • a letter to deputy secretaries • consortium representatives to contact program areas to encourage usage • MAG secretariat to provide focused training for Queensland and Northern Territory • prize for the person who entered the most information in *i*consult in a given month. However, these responses were not successful. People cited the following reasons for not using *i*consult: • not enough time • too busy • too much of an overhead • unsure of what can be shared • information too confidential to share.	Rewards and incentives would encourage employees to respond to whole of government projects. Address any leadership, culture and information-sharing issues as soon as they arise before they inhibit full commitment to the activity.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	Although *i*consult appeared easy to use with little training required and no compatibility issues—employees needed internet access and registration to gain access—it became impossible to assess its value because of low rates of participation and use.	Agencies and employees shown *i*consult agreed that it was an easy to use and potentially useful system; however, in responding to its lack of use the IDCs and MAG secretariat were unable to convince employees to use it enough to assess its capability and future use.	A new technology tool in itself is not enough to guarantee success. Other issues need to be fully addressed—for example, cultural blockers to using a new tool.
2	Confidentiality, privacy and security were cited as issues with *i*consult—there was concern about what could be shared across agencies.	Various solutions were proposed to address these concerns—i.e. users were advised that privacy was not a concern as no personal information was to be kept in *i*consult and if they had concerns they could note this.	There is a need to have clear definitions and instructions about what can be shared.
3	New technology meant there was a need for new processes and possible change in work design.	Options were given to assist with changing to new processes.	Agreed standards for information sharing should be developed across government with concepts that are easy to understand. Scoping and planning for the implementation of a new whole of government system are necessary. Ideas need to be practical and pragmatic.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	As lead agency, DOTARS funded the development and ongoing maintenance of *i*consult. There was no dedicated funding for either the MAG initiative or any of the products and services delivered under the initiative.	With no dedicated funding it was difficult to quarantine funds for the project. There were no financial contributions from participating agencies; nor was any future funding secured to extend the life of *i*consult.	Dedicated funding would support a whole of government approach.
2	Lack of formal framework/processes for allocation of funds resulted in uncertainty about ongoing resourcing and commitment to the project.	DOTARS used internal processes to gain IT funding and staffing resources.	There is a need for clear guidelines on the flexibility of the financial framework to enable whole of government initiatives to be taken up and implemented.
3	Cost of implementing *i*consult was not fully addressed as funds were not adequate to cover all facets of the project.	Funds were used mostly for development not consultation and implementation.	Dedicated funding should be allocated for each stage of projects to ensure all requirements are addressed.
4	Insufficient planning and scoping of the project led to gaps in implementation issues (including differing expectations and working arrangements within each department).	Potential users were not given the attention and training required (there was no funding for travel or training). This resulted in low or nil take-up by those agencies who had signed up to take part in the pilot.	Scoping of whole of government projects should include: • implementation issues and associated costs • addressing alignment of current business/work processes to whole of government activity • a business case (and cost–benefit analysis) to justify anticipated improvement • ownership at coal face • involvement of appropriate people.

5. Making connections outside the APS.

	Issues	Response	Key learnings
1	*i*consult was developed in response to a message from communities that they were being over-consulted. The project did not involve engagement with clients or the community—it concerned developing an ICT tool for Australian government employees. However, in the long term the community would have benefited from *i*consult.	The benefits to the community were well understood by participating and non-participating agencies (at least at the national level). IDCs were enthusiastic and endeavoured to market the benefits of *i*consult; however, the messages did not filter through to all the potential users of the system.	The objectives of whole of government activities need to be clearly understood by participants, including a sense of the big picture. Participants need to be able to clearly see and understand what's in it for them, as well as for external stakeholders.

Sources

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NATIONAL ILLICIT DRUGS STRATEGY

Objective

The Australian Government's National Illicit Drugs Strategy (NIDS), *Tough on Drugs*, is a whole of government approach to reducing the supply of, and demand for, illicit drugs. It brings together law enforcement, health and education portfolios and the non-government sector in the pursuit of a government agenda.

NIDS was launched in 1997, with funding of $109 million, and is funded to continue until June 2007. A number of additional policy measures have since been approved, bringing total funding to approximately $1 billion. Funding has been provided to a range of Australian government agencies, highlighting the importance of a multi-pronged approach in tackling issues including supply, control, demand reduction and harm reduction.

As part of the government's ongoing National Drug Strategy, NIDS is being implemented in consultation with state and territory governments, the community sector and non-government organisations, including the peak non-government advisory body, the Australian National Council on Drugs (ANCD), which was established as part of the strategy by the Prime Minister.

To date NIDS has funded initiatives in the areas of:

- treatment
- prevention
- education
- diversion programs
- training and skills development for frontline workers
- monitoring and evaluation
- research
- measures to intercept drugs within Australia and at its borders.

Funding has been used to establish information systems to improve the way drug use and supply are measured, while law enforcement authorities have been assisted to analyse trends in supply control and demand, and harm reduction. Data systems have also been established or improved to draw together critical information about drug use, treatment agencies, user groups, arrest rates and prison populations so that trends can be identified and responses developed. State and territory governments have received project grants as part of NIDS and have also played an important role in developing and implementing policy which cuts across their own jurisdictions.

Key players

Australian government agencies

- Department of Health and Ageing
- Attorney-General's Department
- Australian Federal Police
- Australian Customs Service
- Department of Education, Science and Training
- Department of Family and Community Services
- Department of Finance and Administration
- Department of the Prime Minister and Cabinet.

State and territory government agencies

- State and territory health
- Justice
- Police
- Attorneys-general departments.

Non-government sector

- Australian National Council on Drugs
- Alcohol and other Drugs Council of Australia
- Representatives of other agencies and universities.

Overview of learnings

The Australian Government's efforts to address issues around illicit drugs clearly cut across many agency boundaries in both Australian government and state jurisdictions, as well as community organisations and sectors. Results to date indicate a range of learnings from the whole of government approach adopted.

At the outset of a whole of government project it is vital to:

- develop a detailed, comprehensive strategic plan, which should include:
  - clearly delineated roles and responsibilities for all players—this helps to maintain relevance, momentum and 'buy-in'
  - agreed priorities for all players and key outcomes clearly identified
  - establishment of decision-making processes
  - agreed evaluation and review mechanisms for each element, taking into account the fact that different agencies will often have different requirements

- take care in developing systems to share information—agencies have different capabilities and needs

- have a lead agency structural model clearly identified and endorsed by all players, if it is used, so that it can play a valuable role as a central coordination and servicing point

- allow time for relationships to grow, for trust to develop and for information to be shared.

Other learnings include:

- ongoing high-level endorsement of the need for genuine cross-portfolio cooperation can assist in achieving required outcomes

- resourcing issues need to be addressed comprehensively and carefully at the outset, taking into account agencies' different protocols and requirements

- the need to take into account unknown and emerging issues and demands is especially important

- recognition of individual and agency contributions to whole of government projects is important to build ongoing commitment

- rewards for individual/agency contributions to whole of government projects are also an important way of maintaining momentum and engagement

- for some non-government partners, government and its different tiers and portfolios can appear confusing

- early and genuine consultation with the non-government players is vital in achieving their cooperation, contribution and commitment

Features of a good whole of government approach to engaging with the non-government sector include:

- clearly established and identified structures and protocols working to remove or eliminate the barriers between portfolios and sectors, preferably under the direction of a single appointed authority or entity

- good levels of contribution to the project by all stakeholders across sectors.

The project resulted in an improved relationships across and within portfolios, for example within the Attorney-General's portfolio significant links were established between the measures pursued by the Australian Federal Police, Australian Customs Service and the Australian Crime Commission.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	Establishment and maintenance of a coordinating function.	High-level, multi-agency committees have been established to oversee implementation. Initially, a taskforce was established and auspiced by the Department of the Prime Minister and Cabinet. More recently an interdepartmental committee (IDC) has been operating, auspiced by the Department of Health and Ageing.	The role of a central or lead agency is essential. Information sharing between stakeholders facilitated through the development of protocols and clear communication channels.
2	The roles and responsibilities of each agency in the NIDS package has been clear.	While roles of each agency in NIDS are quite clear, it has been necessary to bring agencies together throughout the process.	It is easier to work in a whole of government project when the tasks for each agency are clear, focused and part of the standard business for that agency.
3	Cross-cutting issues that have no natural home within one agency are more challenging to implement.	More recently issues that cut across the portfolios are being addressed, such as prevention, and each agency is identifying how it will respond.	It becomes more difficult to work in a whole of government way when the issues to be addressed do not have a natural home. This can require agencies to look at their own culture and organisation, as well as innovation and working creatively between agencies.
4	A role needed to be found for a new key player —ANCD—within a longstanding IDC structure which had not previously accommodated a non-government partner.	The IDC has invited the ANCD to join its discussions, particularly in the development and implementation of the last budget process.	It can be particularly important to explicitly define the roles and responsibilities of NGOs.
5	Ongoing engagement by all agencies for the duration of the strategy.	Agencies faced the challenge of continuing to engage with a whole of government initiative over a relatively long period of time.	Senior-level representation can assist in maintaining momentum, motivation and strategic direction setting. Levels of engagement and commitment can also be assisted if those attending meetings are empowered to make decisions on behalf of their agencies.
6	IDCs are essential but are time-consuming, and the work for servicing them tends to fall to one agency.	Considerable work has been undertaken to maintain effort on the whole of government activity, bringing agencies together, developing joint submissions, and coordinating policy responses.	The resourcing requirements to adequately support whole of government projects within agencies need to be recognised and supported. Roles and responsibilities across boundaries need to be clarified and the benefits of working cooperatively should be made explicit.

2. Culture and capability

	Issues	Response	Key learnings
1	Whole of government approaches within silo programs of funding.	The IDC provided an avenue to raise issues. Ministers have been able to identify progress for activities within their own portfolio.	All agencies need to be able to identify their own role and benefit from engagement in whole of government activity. The political significance of the drugs issue has acted as a key driver to maintain dialogue and cooperation between agencies.
2	Cultural differences between agencies and other stakeholders.	Australia is seen to have advanced inter-agency cooperation on drug issues in comparison with other countries and has received international recognition for this. This has been achieved through developing cross-agency responses, since the 1980s, to activity across the spectrum of harm, supply and demand reduction. Cultural differences have been explored and reduced over time as common language and understandings have developed.	Cultural differences between agencies and other stakeholders need to be recognised. There is a need to nurture relationships and partnerships between agencies and other stakeholders in order to continue relevance and engagement.
3	Incentives to work with other agencies.	The biggest incentives identified for a whole of government approach were that there was clear recognition of the additional value that could be achieved, highest-level support within the government and recognition that significant results had been attained.	High-level interest/ involvement including that of the prime minister and support from government is important to provide a mandate for action. A clearly articulated and widely promulgated and positive outcome can assist in providing continuing incentive and motivation for complex strategies. Incentives or rewards should be considered in recognition of the additional effort that whole of government processes can bring.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	Lack of integrated, dedicated capacity to analyse information across agencies' different systems/platforms.	Different agencies implementing NIDS established a number of different information systems.	NIDS' achievement would have been easier if information systems could have been integrated from the start.
2	The development of data needs and trends.	The IDC has served as the forum to identify information to be shared and the mechanism by which it has occurred.	Information needs, sharing protocols, accessibility and knowledge management should ideally be identified at the outset of a project. In building a picture of successes from NIDS, information from different agencies was identified and analysed.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	The NIDS package clearly links activity to the relevant agency.	Reporting at an agency level has been easier as lines of responsibility have been clear from the outset. The funds are accounted for and reported on at an agency level. Outcomes are reported on at both an agency level and also collectively.	There has always been certainty in who is doing what and what funds are available. This has overcome potential confusion in relation to funding allocations.
2	The development of joint agency funding submissions created some confusion at first.	Close contact between agencies at an IDC level and involvement of senior level employees assisted.	Agencies approach whole of government funding processes with different understandings —these should be clarified as early as possible. Level of seniority at interagency forum affects ability to resolve issues quickly.
3	Accountability has largely been managed at an agency level rather than as a whole of government package.	Each agency has maintained accountability for funds at an agency level to the minister responsible.	Clear lines of accountability need to be determined at the outset both in terms of acquitting funds and identifying ministers responsible for each element of work. If there is to be reporting of activity in a whole of government manner, agencies need to agree on the parameters at the outset.
4	Different agencies have had different expectations and different requirements about evaluating the outcomes of funding.	A range of evaluation mechanisms was adopted by different agencies. Some results from the funding were evident quickly (e.g. from law enforcement agencies), while others will have a longer timeframe to show effect (e.g. health and education activities).	Evaluation mechanisms need to be determined at the outset of projects and evaluation activity needs to be allocated specific funding. It is challenging to bring together a cumulative view on the effect/outcomes of the NIDS package as the range of activity is so diverse. Some of the activities achieve very quick results while the effects of other parts of the package, particularly those that work on prevention, will not emerge for some time. Telling a more united story about the impact of a whole of government task is easier if there is early agreement in relation to joint reporting.

5. Making connections outside the APS

	Issues	Response	Key learnings
1	Non-government involvement is a vital element of NIDS.	The ANCD has promoted extensive consultation with the community since the commencement of NIDS. The ANCD has a strong role in the implementation of NIDS. Its role has gradually expanded to include involvement in the development of budget submissions.	The close involvement of an NGO was initially challenging for many agencies. It has led to stronger and more transparent decision-making processes and a more complete understanding among all parties of the issues different agencies are facing, how they are addressing them, and barriers that are encountered.
2	Consultation needs to be genuine.	In the most recent stages of NIDS, the NGO sector was fully consulted from the earliest stages, and their proposals for action were considered at the highest level.	Consultation with the NGO sector needs to be undertaken in early stages. Exposure to other sectors and discussion about respective roles, responsibilities and expectations at the commencement of a project would assist greater understanding.

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Mr Peter Jones, Australian Federal Police

Mr Mark Michell, Department of Family and Community Services

Mr Ross O'Donoghue, First Assistant Secretary, Department of Health and Ageing

Mr John Perrin, Prime Minister's Office

Mr Robert Rushby, Australian Customs Service

Ms Margaret Sykes, Department of Education, Science and Training

Mr Noel Taloni, Director, Illicit Drugs Section, Drug Strategy Branch, Department of Health and Ageing

Mr Arthur Townsend, Assistant Secretary, Department of Education, Science and Technology

Mr Gino Vumaca, Executive Officer, Australian National Council on Drugs

Major Brian Watters, Chair, Australian National Council on Drugs

Ms Cheryl Wilson, Executive Officer, Alcohol and Other Drugs Council of Australia

RESPONSE TO BALI BOMBINGS

Objective

The Australian Government mounted a whole of government response to manage the crisis resulting from the terrorist attack on nightclubs in Bali on 12 October 2002.

The Prime Minister's instructions to senior officials were decisive: the government's response needed to be comprehensive and effective, and issues concerning resources could not be allowed to constrain the policy response— they could be addressed later. There was strong bipartisan support for the Australian Government's approach. Reflecting these decisive political instructions, the government established explicit and appropriate chains of command within the public sector in response to the bombings.

On 13 October the Department of Foreign Affairs and Trade (DFAT) set up a crisis team and started coordinating a whole of government response. DFAT's response to Bali was similar to the way it had responded to previous overseas crises involving Australians, such as the Interlaken rafting tragedy and the September 11 terrorist attacks in the US. However, the effort was magnified by the close support and participation of the Australian Defence Force (which began emergency evacuations back to Australia of the critically injured) and the Australian Federal Police (which worked closely with Indonesian counterparts in taking forward the criminal investigation). The Bali crisis was, of course, also on a much larger scale and deeply affected the whole nation. Unlike previous overseas crises, there was an immediate set of domestic issues as victims started arriving back in Australia. State and territory health departments and airports, in particular, went into action on 13 October. By 16 October it was clear that the domestic (i.e. Australia-based) issues were of great consequence and complexity, and so the Department of Family and Community Services (FaCS) was asked by the Department of the Prime Minister and Cabinet to manage the domestic recovery through a whole of government taskforce. These two structures, the whole of government taskforces chaired by DFAT and FaCS, were robust and continued throughout the crisis recovery period.

In the initial few days after the bombings, DFAT's consular area dealt with 5000 phone calls from people concerned that a loved one might have been in Bali. More than 100 people were thought to be potential casualties. In the end, there were more than 80 Australian deaths and many more Australians injured. More were distressed or affected in some way.

This case study looks at the experience of the APS in implementing a whole of government response in the period immediately after the bombings and the following two months.

Key players

Australian government agencies

- Australian Federal Police
- Defence organisations
- Department of Family and Community Services
- Department of Finance and Administration
- Department of Foreign Affairs and Trade
- Department of Health and Ageing
- Department of Immigration and Multicultural and Indigenous Affairs
- Department of the Prime Minister and Cabinet
- Department of Transport and Regional Services
- Centrelink
- CrimTrac Agency
- Emergency Management Australia
- Health Insurance Commission
- Intelligence agencies

State and territory agencies

- All health departments
- State and territory coroners
- State police services
- State and territory premiers/chief ministers departments
- State and territory welfare departments
- Fire and emergency services
- Airport corporations
- State and territory emergency management bodies

Other

- Australian Red Cross
- St John Ambulance, Northern Territory
- Kenyon International Emergency Services Australia
- Protective Security Coordination Centre
- Qantas
- Sydney Airport Corporation Limited
- Darwin International Airport
- Victorian Institute of Forensic Medicine
- Victims, their families, on-site volunteers and the general public
- Media

Overview of learnings

Clear leadership from the Prime Minister was central to the speed, sensitivity, flexibility and comprehensiveness of the whole of government response.

As a first step, roles of all players in a crisis recovery should be defined. A shared understanding of each player's role should also be reached.

Formal chains of command should be used for communication during a crisis and recovery period.

An overarching framework to coordinate government response across federal and state jurisdictions and between government and non-government bodies can be a good up-front investment.

A 'hub and spokes' model which establishes clusters of agencies to work side by side, rather than all agencies coming together through a single overarching interdepartmental process, can work well. In the case of Bali, representatives from DFAT and FaCS attended each other's taskforces to ensure an appropriate overlapping between the two clusters.

There are separate phases in a crisis—a response phase and a recovery phase. While they do overlap, they are also distinct.

The national CrimTrac DNA system was used to quickly and reliably identify human remains gathered from the site of the tragedy.

The Bali crisis resulted in the Department of Health and Ageing establishing the Health Incident Room to improve health coordination in national emergencies. Options are also being developed for a strengthened rapid response capability for future mass casualty and terrorism incidents involving Australians overseas.

Daily review of core issues such as public communication, financial support (and, in the case of Bali, return of effects of deceased victims to next-of-kin) can allow policy outcomes to be closely monitored and driven forward. It is also important for crisis managers to obtain a more strategic overview of the policy response. This can be done through daily meetings of key decision makers to canvass what might be the policy and media issues of the following day.

Families of victims need one point of contact for information. Early communication of information to affected families is important.

There is a need for agencies to adopt a common approach to the Privacy Act and to have a shared understanding of the way the Act applies against their operations during crisis. Differing interpretations of the Act may lead to inconsistent policy formulation and agency responses during the crisis.

More detailed and regular briefings to the media and general public on key elements of the government's response would have assisted more accurate media treatment and allayed family concerns in early days after the bombings.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	Need for clarity in arrangements including identification of lead agency.	DFAT and FaCS were responsible for the coordination of domestic and international issues, which were pursued through two parallel processes. Two 'hub and spokes' arrangements worked side by side rather than bringing all participants together through one overarching interdepartmental process. DFAT and FaCS held daily (twice daily in the initial aftermath of the attacks) interagency taskforce meetings, which drew major stakeholders together to share information and coordinate policy responses. A national response plan is being developed to respond to future mass casualty and terrorism incidents involving Australians overseas. It will provide a framework for coordination of crises which have both an international and a domestic element.	The 'hub and spokes' approach to crisis management provided a useful model. The use of 'hub and spokes' ensured that meetings remained focused and brief, and drew together the appropriate participants for a discussion on either international or domestic issues. This worked well for the crisis but the model could also be used for other complex, multi-dimensional situations.
2	Need to create strategies and implement policy to deal with the crisis, and to monitor policy outcomes.	A mechanism for key decision makers was created to canvass policy and media issues of the following day. This assisted in ensuring that decision making continued to strike an appropriate balance between the proactive and reactive and looked beyond the issues of the moment. FaCS conducted daily meetings addressing 15 core issues, against which recent progress and forward planning were reported.	Important to make time to be strategic and rise above the problems of the moment. Coordinating whole of government policy making and implementation is integral in driving the dynamic towards the recovery phase following a crisis.
3	Integrating coronial systems and processes, particularly between jurisdictions, in regard to victims.	A spokesperson from one state was appointed to represent all coroners. State coroners advocated a new federal coronial jurisdiction.	Importance of re-examining coronial arrangements to ensure they are appropriately responsive to international/ national disasters.

2. Culture and capability

	Issues	Response	Key learnings
1	Knowledge and understanding of roles of all those involved and who was lead agency. Need for diverse range of agencies to work well together.	Participants worked together cohesively, regardless of differing departmental cultures and work practices. The national response plan now being developed will provide a framework for coordination to: • clarify roles of agencies and non-government organisations • review links between Australian government and state disaster plans • identify and rectify any gaps in interagency coordination. The Community Services Ministers' Advisory Council has also been asked to review community support and recovery arrangements.	There is a need for a greater awareness of roles of agencies, especially to share resources and create networks. Roles of each player must be clarified up-front. Links with state-based emergency services and ongoing recovery services need to be clarified.
2	If communication channels are not clear, chains of command can become unclear and vital messages missed or duplicated.	Existing chains of command were used well. In addition, the authority of the two taskforces was enforced through proper chains of command.	Use formal chain of command communication in a crisis.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	DFAT emergency hotlines were overwhelmed in the initial stages.	Existing contingency plan for crisis scenarios—using Centrelink call centres—quickly broadened to absorb unprecedented call volumes.	Contingency plans need to be able to be broadened and reformulated quickly.
2	Managing information to ensure that accurate information was presented to the community.	Engage the media in regular briefings. A central database of registration data of affected individuals was created. Collection, collation and dissemination of key patient information and a central point for non-medical information.	Too much communication with the public and affected people is impossible!
3	Need for integrated approach for providing information to the media.	Stand-alone, dedicated media unit and strategy was used.	The importance of good media management cannot be overstated.
4	Sharing of information between agencies was complicated by the Privacy Act.	Discussion with Privacy Commissioner to ensure that information was handled appropriately and carefully in a manner that facilitated the crisis management response. The need to share personal information amongst agencies was acknowledged.	Need for agencies to adopt a common approach to the Privacy Act, to have a shared understanding of the way that the Act applies against their operations during crisis times. When this does not exist, different interpretations of the Act may lead to inconsistent policy formulation and agency responses during the crisis.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	Need to offer financial support for unheard of circumstances for which there were no programs or parallels.	Ex-gratia payment arrangements were used properly and well. Prime ministerial direction was clear.	Direction is essential. Flexibility is also essential in a crisis.
2	While directions were clear, written authorisations were hard to achieve in a crisis environment in the timeframe desired by those affected.	A commonsense approach was taken and supported by all agencies. It was appropriate and well documented.	The ex-gratia payment guidelines could be enhanced to address the role of senior decision makers in such circumstances.

5. Making connections outside the APS

	Issues	Response	Key learnings
1	Overcoming confusion for the families in trying to get information about victims and in dealing with the various agencies.	Emergency hotline set up, internet site developed. DFAT consular called every family of a possible victim daily. Later, Centrelink looked after each family. Both approaches worked well.	It is important to present one point of contact to victims and their families.
2	While agencies were able to advise families of contact details of other agencies, none was initially able to answer questions from a whole of government perspective.	Questions and answers were developed and shared between agencies.	Communication with families of the victims must be coordinated at an early stage of the crisis.
3	Confusion experienced by families in getting accurate information and the families' eventual need for counselling.	As well as the hotline and internet site, FaCS established a newsletter that conveyed the government's key messages and ensured that the messages were attuned to the emotional and information needs of the victims' families.	Need for the community to receive quick and accurate information. In the aftermath of a crisis, the community's need will be for information. Later this will change to a need for counselling and social support. It was important to carefully evaluate the needs of the community.

Even if newsletters are not always read, they can be an important way of assuring those affected that they are getting relevant up-to-date information and are not being kept in the dark. This is especially important in the early phase of a crisis. |

6. Managing crises and their consequences

	Issues	Response	Key learnings
1	DFAT was clearly the lead agency for the Australian Government for the overseas aspects of the crisis and response. However, a lead agency for the domestic aspects was not identified until 16 October. Emergency Management Australia (EMA) was also not involved automatically and, because of this, the usual approach of engaging state and territory emergency management response agencies was not made immediately. In short, there is a need for protocols that link overseas and domestic issues.	The government established explicit and appropriate chains of command, giving DFAT and FaCS responsibility for coordinating whole of government activities for international and domestic issues respectively. They adopted a 'hub and spokes' coordination arrangement that drew together key agencies and players to share information and coordinate policy responses. Within each hub and spoke there was a clear division and respect for the differing mandates of respective agencies. EMA will develop a national action plan to link overseas and domestic issues.	It is critical to keep leadership roles clear. Chains of command need to be clear and must be used.
2	Need to quickly assess the nature of the situation and to mount an appropriate response.	Deployed ADF teams to assess the incident, the damage, likely casualties, nature of injuries and potential treatment requirements, and the likely ongoing response requirements and capacity to respond locally.	In a crisis agencies will pull out all stops to help each other respond quickly and well.
3	Need to deploy assistance rapidly in the immediate response period.	Rapid evacuation was an outstanding success. Rapid deployment to Bali of ADF and other Australian assets and people to evacuate the injured and to establish appropriate disaster victim identification processes. Also deployed high-quality response from the private sector in providing services.	Focus first on stabilising the situation including evacuating the crisis location as fast as possible.
4	The need to repatriate to Australia large numbers of injured and deceased people. Need to expect the unexpected—for example, victims understated horrific injuries so they could return to Australia on a commercial flight, putting themselves and Qantas staff at risk.	Contracted a company with longstanding experience in mass casualty incidents within 24 hours of the attacks to manage the repatriation of deceased Australians on behalf of the Australian Government. Qantas put on additional flights to repatriate hundreds of Australians who wanted to leave Bali immediately.	Use strategic partnerships with non-government players in a creative fashion.

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SUSTAINABLE REGIONS PROGRAM

Objective

The Sustainable Regions Program (SRP) is piloting a new, holistic approach to providing Australian government funding for regional Australia. Launched in August 2001, SRP focuses on community building and sustainable development rather than a simple 'apply for a grant' approach. It is about communities working together to invest wisely in the social, economic and environmental assets of their region for a sustainable future, in partnership with government.

Funding for the SRP totals about $100 million for the period from 2001–02 to 2005–06. Assistance under the SRP has been provided to the following prototype regions:

- Far north-east New South Wales

- Campbelltown–Camden, New South Wales

- Gippsland, Victoria

- Atherton Tablelands, Queensland

- Wide Bay Burnett, Queensland

- Kimberley, Western Australia

- Playford–Salisbury, South Australia

- North-west and west coast Tasmania.

Through SRP the Australian Government supports these regions by:

- providing a stimulus for activity through funding

- taking a whole of government approach and assisting with brokering deals and joint funding with other government agencies and the private sector

- considering large-scale issues for a region

- supporting regions to analyse and test the implications of possible future directions.

Local advisory committees comprising business, community and/or local government representatives have been given the flexibility and autonomy to recommend, direct to the minister, projects for consideration. Final funding decisions rest with the minister.

One of the main aims of SRP is to give designated regions autonomy and significant control over the process and outcomes for their region. The SRP emphasises the 'one size does not fit all' principle and gives regions flexibility in:

- the process used for calling for expressions of interest and projects

- how to determine regional priorities

- how to undertake planning and analysis to identify priorities and future development options.

Key players

Key players are:

- Minister for Transport and Regional Services

- Department of Transport and Regional Services

- local advisory committees

- government agencies at all levels responsible for managing various issues including infrastructure, community services and the environment

- communities of the eight regions including the private sector and educational institutions.

The SRP is administered by the Department of Transport and Regional Services (DOTARS). DOTARS promotes partnerships between all spheres of government, the private sector, local advisory committees and other organisations in the regions to achieve the goals of the SRP. At the Australian government level all relevant departments and agencies are consulted and invited to be partners in implementing projects. When priorities are identified in a designated region, DOTARS brings together key players at the federal sphere and determines ways of coordinating a whole of government approach.

Overview of learnings

The SRP offers significant opportunity to create partnerships with the private sector, between levels of government and within the Australian Government. There are, however, considerable resource and time implications of working within and between these layers: program rules and individual portfolio priorities do not necessarily blend well to deliver the maximum benefits possible for communities. While the case study predominantly reflects the views of one agency, the learnings are still relevant.

At this stage, the SRP has had significantly more success forging partnerships with state agencies and local government than with other Australian government agencies.

Successful whole of government activity included:

- a clear articulation of the key strategic directions and priorities by locally based committees—in the Kimberley, for example, the objectives for the region, affirmed by the state government, are predominantly in harmony with those articulated by the Sustainable Regions Advisory Committee
- leadership and support from the top (political and bureaucratic)
- willingness of key players to work together
- a shared vision by agencies to focus on problems and achieve real outcomes for people living in the regions
- shared performance indicators and ways of monitoring progress, and flexible funding arrangements
- pooling resources.

The Regional Deputy Secretaries Group has provided opportunities to develop an Australian government whole of government response to regional Australia. This is not a substitute for mechanisms used between departments to progress a range of issues, but can be a door opener where conventional mechanisms may not be productive.

While there has been a lot of goodwill surrounding whole of government, there are practical impediments to more responsiveness. One impediment is the way departments define outcomes in their Portfolio Budget Statements (PBSs), which can limit the development of innovative solutions to problems. The PBS concentrates on the specific responsibilities of an agency rather than providing an opportunity to include wider objectives that would cover broader government aims. If this broader approach were taken, it could enhance the success of a whole of government approach.

APS employees located in the SRP regions have enormous potential to help deliver a more whole of government approach to regional Australia. Their on-the-ground support is invaluable in providing advice and making linkages.

National offices too have a significant role to play. Regional employees can be hamstrung if national offices do not supply adequate support. National offices need to pursue the high-order strategic policy frameworks so that regional employees have a clear mandate about how to do business.

There is an important role for lead agencies in developing critical partnerships at all stages—from information sharing and scoping of responses to identification of synergies and agents for delivery.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	Developing the SRP as part of the new policy proposal process.	It allowed efficient liaison within agencies and saved money—most likely better than co-locating people from different agencies.	Development of whole of government program policy does not require co-location of APS employees.
2	Some Australian government agencies' programs were not always flexible in how they considered a SRP application against guidelines—they had difficulty meshing their national or issue-specific objectives with SRP regional objectives. State agencies could be more willing to embrace the concept of joint funding.	Formation of Sustainable Regions Australian Government Whole of Government Network/ Deputy Secretaries Group tried to get better coordination across portfolios.	More flexible program delivery by other agencies would enable better integration. Flexibility in how SRP funds can be used has been a valuable lever in obtaining funding from other government and private sector sources. There is a need for very senior leadership and commitment.
3	Some Australian government agencies' policy areas were committed to the process in the development of the SRP, but program areas less so during the implementation.	(as above)	There is potential for continuity of whole of government teamwork to be broken between policy development and implementation. There is a need for very senior leadership and commitment.
4	The SRP seen by other agencies to be a DOTARS-focused initiative within whole of government.	The Sustainable Regions Australian Government Whole of Government Network was established to provide a forum for Australian government agencies to engage in whole of government activity in the eight prototype sustainable regions. The Deputy Prime Minister, the Hon. John Anderson, wrote to his ministerial colleagues in April 2002 seeking support for a collaborative approach towards the SRP.	The SRP's initial promotion could have benefited from greater emphasis on the involvement of other agencies and more detailed communication with agencies of its approach. Groups such as the Sustainable Regions Australian Government Network and the Regional Deputy Secretaries Group are not a substitute for mechanisms between departments to progress a whole range of issues, but the groups can be door openers where conventional mechanisms may not be productive.

Structures and processes (continued)

Issues	Response	Key learnings
	The network first met in July 2002 and has provided DOTARS with a platform for dialogue and a database of contacts across the APS. Matters that influence the broader policy agenda of the SRP are now considered also by the Regional Deputy Secretaries Group.	
	Whole of government groups provide a more formal way of looking at some of the practical impediments to whole of government, like funding cycles and closing dates on programs.	
	Whole of government groups can also operate at a high-order/strategic level and provide leadership on regional whole of government issues. This would include ways agencies could integrate their programs to better address regional priorities.	

2. Culture and capability

	Issues	Response	Key learnings
1	Greater understanding by some Australian government agencies about opportunities whole of government activity can provide for addressing complex issues and achieving mutual outcomes. The need for APS employees to think laterally and actively engage in whole of government work. Better understanding of how whole of government work fits with everyday activity.	Regional Deputy Secretaries Group tries to achieve high-level commitment.	The need to have senior executive engagement. Conduct seminars to explore/explain role of whole of government including international experience. Whole of government applies equally to all levels of the APS. Whole of government should be seen as a way of doing business.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	Whole of government requests for input into project assessment did not always elicit all relevant information.	Agencies contacted individually to clarify requirements and determine response.	Importance of bilateral relationships, as well as whole of government networks.
2	Communities faced information overload from all levels of government.	Community advisory committees (and executive officers) were able to provide a targeted whole of government perspective and information to people interested in programs.	It was important that a whole of government activity be undertaken within the region rather than only from Canberra or a capital city. Area consultative committees would benefit from additional resources and expertise.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	Some agencies were highly cooperative in development of the Stronger Regions Statement, which included the possibility of new budget funds.	Six-monthly reports to government provide an opportunity to report to ministers on SRP whole of government activities.	There is value in agencies working closely in the budgetary process to explore approaches to whole of government funding.
2	Whole of government work is resource-intensive and needs to be recognised.	Departmental funds were not increased.	Recognition that whole of government work is resource-intensive.
3	Differences between internal and whole of government accountabilities: • The structure of Portfolio Budget Statements does not enable delivery of whole of government outcomes. • Other Australian government agencies have not acted on the potential for joint funding.	Formation of Sustainable Regions Australian Government Whole of Government Network/ Deputy Secretaries Group was used to achieve a true whole of government approach.	Identifying broad common outcomes for agencies involved in whole of government work could assist both funding and reporting. Stakeholders could also be involved in identifying common outcomes and priorities.

5. Managing connections outside the APS

	Issues	Response	Key learnings
1	Roles of local advisory committees and executive officers in engaging with the local community were vital.	Local advisory committees and their communities were excited by the opportunity and felt empowered by having a greater role in the decision-making process. Accessibility of on-ground executive officer improved level of community engagement.	Endorsement of local advisory committees' participation in decision-making process. Value of on-ground executive officer supporting local advisory committees.
2	Ability of local advisory committees to bring local knowledge to the table was important.	Local advisory committees were able to test and validate regional priorities. DOTARS was able to target issues and projects with more accuracy with assistance of local advisory committees.	Local advisory committee knowledge of local issues and identities was invaluable.
3	Local advisory committees took more time to make funding recommendations to the minister than anticipated.	DOTARS built constructive relationships and provided regular advice and support to advisory committees concerning strategic planning, and assisted with assessment of projects. Funding was provided to assist with planning and testing future development options. Funds were re-phased to redirect funding to later years.	Local advisory committees need to be given time to adjust to their role to enable them to make good recommendations on behalf of the regional community. The department's role in obtaining advice from other Australian government agencies is vital. Taking a grass-roots approach (allowing a community to set the pace) takes time.

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Mr Bill Dejong, Department of Transport and Regional Services

Ms Ruth Povall, Executive Officer, Far North East NSW Sustainable Regions Advisory Committee

THE SYDNEY 2000 OLYMPIC GAMES

Objective

The Olympic Games have been held every four years since 1896 and are now the largest, and arguably the most important, sporting event in the world. The choice of Sydney as the site for the 2000 Olympic Games gave Australia a unique opportunity to reinforce its international standing as a leading sporting nation, promote its image as a free and cosmopolitan society, and develop new trade, business and tourism links with the world.

The Sydney 2000 Olympic Games and Paralympic Games were planned and run through a cooperative arrangement between federal, state and local governments, Australian business, and sporting communities, and featured a formal and explicit relationship between the Organising Committee, the NSW Government and the Australian Government.

The Games embraced multiple objectives—sporting, social and economic —and many (if not all) of them had a whole of government flavour. The numerous objectives articulated by various organisations are encapsulated by statements such as: 'the best Games ever' and 'to derive maximum benefit for Australia'. These umbrella objectives reflect the whole of community support for the Games that gave unity of purpose to overall planning and delivery.

While the Games were primarily a NSW event, they could not have been staged without the support of some 30 Australian government departments and agencies. Assistance covered a wide range of areas including national security, protective security, communications, training in sports doping controls, drug research, quarantine, tourism and trade promotion, border controls and weather forecasting. On a full cost basis, the Australian Government contributed over $1.1 billion in support of the Games. Approximately $494 million of this was additional funding allocated through the Australian government budget.

This case study focuses on the whole of government challenges of the Games for the Australian Government.

Key players

Australian government agencies, including:

- Attorney-General's Department (including the Protective Security Coordination Centre)
- Austrade
- Australian Communications Authority
- Australian Customs Service
- Australian Defence Force
- Australian Protective Service
- Australian Quarantine and Inspection Service

- Australian Security Intelligence Organisation
- Australian Sports Commission
- Australian Sports Drug Agency
- Department of Defence
- Department of Foreign Affairs and Trade
- Department of Immigration and Multicultural and Indigenous Affairs
- Department of Industry, Science and Tourism
- Sydney Airports Corporation Limited

New South Wales government agencies, including:
- Department of the Premier and Cabinet
- Department of State and Regional Development
- Department of Transport
- Sydney Organising Committee for the Olympic Games
- Sydney Paralympic Organising Committee
- Olympic Roads and Transport Authority
- NSW Police Service
- Olympic Coordination Authority

Olympic organisations
- Australian Olympic Committee
- International Olympic Committee
- National Olympic Committees
- Australian Paralympic Committee
- International Paralympic Committee

Other stakeholders
- Department of the Prime Minister and Cabinet
- Athletes
- Department of Transport and Regional Services
- Media
- Viewing public
- Airlines
- Private sector partners

Overview of learnings

From the Australian Government's point of view, the early involvement of ministers in setting policy parameters, central coordination and regular reporting to government were a critical part of the success of the Sydney 2000 Games.

Other key lessons are:

- Stakeholders (i.e. all the people with a direct interest in the Games) have a wide range of interests and business reasons for being involved in a project. It is important to allocate time and energy to understanding stakeholder business drivers to achieve maximum cooperation and joint outcomes. There is a good chance that the reluctance of a stakeholder to engage with a project has a business rationale at its roots.

- Do not underestimate the importance of good personal relationships with stakeholders. Differences in organisational culture, as well as handling urgent issues, can be resolved much more readily if people, including senior officials, are able to talk to each other informally.

- It is important to start planning as early as possible, and not lose sight of longer-term priorities.

- With a project as complex as the Olympic Games, the early decision to lock in central agency coordination was extremely beneficial. Importantly, the central coordination did not interfere with line agencies doing their work.

- While the Olympics was a whole of government exercise from the beginning to the end, most Australian government agencies managed their Olympics responsibilities within normal business processes. Using existing processes that have stood the test of time as much as possible, proved to be most beneficial, even when dealing with new stakeholders or circumstances.

- The Olympic Games created numerous opportunities to leverage off the goodwill associated with a high degree of agreement about overall objectives. This can be seen in the development of security arrangements and in the innovative business development programs.

Key findings of the areas of investigation

1. Structures and processes

	Issues	Response	Key learnings
1	A major challenge was ensuring a safe Games through the efforts of security agencies. This required new ways of working between agencies.	The Department of the Prime Minister and Cabinet (PM&C) saw the need for a top–down approach to achieve more effective coordination. The Australian Government established a ministerial subcommittee on security for the 2000 Games in late 1996. From 1998, all security was managed through standing arrangements, with some issues referred to the Secretaries' Committee on National Security from time to time. The Sydney 2000 Games Coordination Task Force received advice on security matters from an Olympic Security Reference Group comprising representatives from agencies with a security involvement in the Games. The Australian Government's Protective Security Coordination Centre worked closely with the NSW government and assisted with the drafting of a strategic plan for Olympic security.	When faced with a national security imperative, a centrally coordinated planning structure may be needed to bring about effective coordination of players who traditionally have limited need to come together.
2	The need for an agreed position on border management.	A recommendation by the Australian National Audit Office that relevant agencies 'consider the development of a border security purpose statement' was agreed and implemented. The Australian Customs Service and the Department of Immigration and Multicultural and Indigenous Affairs both seconded employees to SOCOG.	Timely external reviews can add value to complex planning processes. Using normal agency operations as much as possible is a sound approach to planning for major events involving non-regular stakeholders.

	Issues	Response	Key learnings
3	Early disagreement, then full cooperation, between the Australian Government and the NSW Government, on addressing workforce shortages in the lead-up to the Games.	In early 1996 NSW authorities turned down Australian government offers of assistance with workforce planning. In February 2000 the Australian Government and SOCOG launched the *Sydney Jobs in 2000* initiative, designed to promote the availability of employment opportunities associated with the Games. The initiative included Jobs Expos, a dedicated 'Jobs in 2000' site within the Olympics internet site, and a promotion strategy for job seekers and employers.	Cross-agency or cross-jurisdictional turf protection can occur even when there is overwhelming agreement on overall objectives.
4	When the NSW transport system became overloaded following the Opening Ceremony of the Games, organisers faced the prospect of ongoing transport difficulties, and no obvious way to find additional bus drivers.	The Head of the Olympic Coordination Authority rang the Games Coordination Task Force directly to say they needed bus drivers urgently. PM&C contacted the Australian Defence Force, which recalled every available service person with an appropriate licence, and had around 150 qualified drivers in Sydney within 48 hours. Because these drivers were not necessarily familiar with Sydney, the NSW authorities provided volunteers to act as guides for the drivers.	Informal networks can be a critical part of finding a cross-jurisdictional solution to an unexpected problem. Strong personal relationships can facilitate unconventional cross-agency solutions, provided there is sufficient trust and agreement on goals.

2. Culture and capability

	Issues	Response	Key learnings
1	Part of the culture of security and law enforcement organisations is that their training teaches them to be wary. This can present as a lack of trust between security agencies.	The Australian Government's overall objective for the Games was to derive maximum benefit for Australia. This common objective was widely understood, and the Games Coordination Task Force used this to help overcome blockages stemming from organisational culture. The Task Force recognised the tensions within security and law enforcement agencies within the Australian Government and states, and convened a meeting of senior officials. This built trust and a culture of collaboration.	A constant message from numerous people involved in Olympics planning is: 'Don't underestimate the importance of personal relations'.

3. Information management and infrastructure

	Issues	Response	Key learnings
1	The need for an identified and authoritative Australian government media voice, and a coordinated approach to media management in Sydney to minimise negative publicity and maximise positive media exposure.	The Australian Government's media strategy was approved by ministers in 1999. The Games 2000 Media Unit was established in the Games Coordination Task Force in October 1999. The director of the Games Media Unit also acted as the Australian Government's Games spokesperson. A Games media website was established in 2000. A key element of the Australian Government's collaborative relationship with the NSW Government was the joint sponsorship of the Sydney Media Centre at Darling Harbour for the unaccredited media.	With hindsight, PM&C considers the Games Media Unit was created too late. It suggests creating such a unit 2–3 years before the event, and building a media strategy into the planning process.
2	The need for a contingency communication strategy in the event of a disaster or crisis.	The Games media website was to be used as a crisis information site.	If a website is to be used for crisis management, rigorously test its capacity to handle a high volume of public and media inquiries, as well as the necessary official information.

4. Budget and accountability framework

	Issues	Response	Key learnings
1	The need for a whole of government approach to Australian government funding for the Games, covering Australian government agency expenses and support for the NSW Government and SOCOG.	The 1997–98 and 1998–99 Budgets included coordinated bids for Olympic-related expenditure. All bids were vetted by the Secretaries' High Level Reference Group, chaired by the Secretary of PM&C. A memorandum of understanding (MOU) between the Australian Government and NSW was signed on 23 December 1998. It set out the cost recovery parameters for Australian government services. Under the MOU, SOCOG was required to purchase customs, immigration, quarantine and communications services from the Australian Government using $32 million provided to it by the Australian Government. Some services were provided free of charge; others were provided at partial or full cost recovery.	Existing financial coordination processes within the Australian Government are sufficiently robust to manage complex whole of government matters. Where Australian government services are required for a major event organised principally by another jurisdiction, a detailed purchasing and cost recovery plan is essential.

5. Managing connections outside the APS

	Issues	Response	Key learnings
1	Wide agreement among stakeholders that the Sydney Airport international terminal would not cope with the peak passenger loads following the Games gave rise to a range of interdependent business concerns that had to be addressed jointly by stakeholders.	Numerous organisations, including airlines and border security agencies, jointly agreed to process athletes' baggage at the Olympic Village rather than at the airport. This eased airport congestion, but created security and transportation complexities requiring careful negotiation.	An innovative solution to a problem that requires multiple organisations to adopt non-routine procedures will be difficult to implement. Participants in joint teams need to understand the business drivers and rationales of all organisations involved.
2	The development of cooperative relationships between Australian government and state agencies and the private sector to maximise the economic benefits of the Games required sustained effort, especially in states/territories not hosting Olympic events.	In June 1995 the NSW Government established the Olympic Games Business Roundtable to use the Olympic Games to promote Australian business. Austrade and the NSW Department of State and Regional Development worked closely on several programs, including Investment 2000— a campaign to unite international business leaders with heads of Australian companies. Under the Australia Open for Business strategy, Austrade developed collaborative programs, including *Business Club Australia,* to forge links with Australian and international business leaders.	Do not underestimate the creative potential of joint government and private sector interaction, but be aware that the private sector, including industry associations, can be slow to buy into unproven concepts. It is difficult to get wider state/territory buy-in for a one-state event, and only the Australian Government's involvement can make these into national programs.
3	The need for a united approach by NSW and the Australian Government in servicing the needs of dignitaries visiting Australia for the Games to ensure they received appropriate levels of hospitality.	SOCOG met its contractual obligations in relation to servicing the International Olympic Committee and members and heads of International Sporting Federations. The Australian Government and NSW established a mechanism for joint handling of dignitaries. In 1997 the Australian Government established the Olympic Dignitary Program.	Whole of government planning for major international events should have a dignitary handling strategy as a discrete component of overall planning. Such a strategy should explicitly acknowledge the differing hospitality protocols of different stakeholders.

6. Management crises and their consequences

	Issues	Response	Key learnings
1	The high-security imperative for controlling the airspace in the vicinity of Games venues, but the absence of provisions in the *Air Services Act 1995* for controlling airspace on security grounds.	Although the Australian Government regulates airspace in Australia, it was agreed that NSW has a residual head of power to control airspace within NSW. The Australian Government used the incidental powers under the *Air Services Act 1995* to support the NSW airspace controls with fines of up to $25 million.	Solutions to seemingly intractable problems can sometimes be found by linking powers or capabilities across jurisdictions.
2	Security contingency planning highlighted the need for different responses to biological, chemical or radiological incidents, depending on whether they were accidental or deliberate.	Fire authorities in all states were the designated emergency organisation for an overt attack using chemical or radiological material. For other types of attacks, lead agencies would have been health services or the police. The PSCC assisted the Games Coordination Task Force to develop arrangements for crisis and incident management so that all relevant Australian Government and NSW state security, military and law enforcement bodies had a a role in planning and investigations. The same arrangements were negotiated for all states/territories hosting Olympic events, effectively providing Australia with a national security plan.	Innovative cross-jurisdictional solutions to managing security aspects of major events can open opportunities for developing and showcasing wider national security plans.

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Brent Espeland, about his then role as specialist security adviser, Sydney 2000 Games Coordination Taskforce, Department of the Prime Minister and Cabinet.

Ron Perry, about his then role as senior adviser, Sydney 2000 Games Coordination Task Force, Department of the Prime Minister and Cabinet.

Victor Baskir, about his then role as Olympics coordinator, Department of Immigration and Multicultural Affairs, NSW.

Pru Goward, about her then role as media coordinator, Sydney 2000 Games Coordination Taskforce, Department of the Prime Minister and Cabinet.

APPENDIX 3 >> ISSUES AND THEMES IN RECENT LITERATURE ON WHOLE OF GOVERNMENT APPROACHES[1]

Overview

Attempts to coordinate government policy and service delivery activities across organisational boundaries are not a new phenomenon. Coordination is a challenge inherent in all administrative systems designed to organise deliberations, decisions and actions to meet the complex demands of government. Ling (2002) and Richards and Kavanagh (2000) trace the British experience of targeting the 'pathology of departmental government' throughout the 20th century (with examples from both Conservative and Labour governments). In Canada, it is said that there has been virtually no limit to the government inventing new coordination arrangements (Wilkins 2003). In Australia, this type of activity was already occurring shortly after Federation (Podger 2002b). The Coombs Royal Commission (1976) set the scene for significant aspects of current whole of government approaches.

Improving coordination across policy, program and service delivery has again been receiving increased attention in recent years—both in Australia and in other advanced economies. There are numerous terms for describing the challenge, including whole of government, joined-up government, networked government, cross-cutting policy, horizontal management, interdepartmental actions, partnerships, joint ventures, alternative service delivery. The essential feature is that these approaches differ significantly from the traditional 'silo' approach of departments/ministries (Edwards 2002; Cabinet Office 2001).

Globalisation, budgetary pressures, community expectations and technology are key drivers of increased whole of government approaches (IPAA 2002). The increase in the proportion of the population receiving some form of assistance from government (some 19 per cent of the Australian population), the steady growth in regulation of a broad range of activities, and the new threats of terrorism have increased the importance of governments avoiding perverse and contradictory outcomes and ensuring that information is shared between agencies. Whole of government approaches are particularly suitable for a special class of policy issue ('wicked problems') that defy jurisdictional boundaries and are resistant to bureaucratic routines (Clarke and Stewart 1997: Kamarack 2002). Service delivery is also often seen as fragmented at the regional and local levels, and numerous government initiatives are not integrated (Cabinet Office 2000c; ICCT 2003). Public demand is continuing to increase. There is less public money available while there are increased demands for lower taxes and greater accountability of public expenditure (Lindquist 2001). Another Canadian, Peters (1998a and1998b), argues that reducing public expenditure is the most fundamental reason for increased attention to coordination efforts.

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1 The bibliography contains references to recent literature on whole of government (or horizontal) management. Abstracts of 25 key references are available on the APS Commission website <www:apsc.gov.au> under MAC publications

There is also unease that some of the recent public sector reforms have exacerbated coordination problems. New Zealand's Review of the Centre (New Zealand Government 2001) found that while the public management system provides a solid platform for the future, it must meet more effectively the needs of ministers and citizens to integrate service delivery, address fragmentation and improve the training and development of public servants. Aucoin (2002) suggests that new public management has been good at putting emphasis on efficiency, but has fragmented the capacity of government to address 'wicked problems'.

Caution is expressed about the difficulties involved in whole of government approaches, including unintended risks, overly ambitious agendas and uncontrolled consequences (6 et al. 2002)[2], but examples are generally of claimed successes, not failures. The Institute of Public Administration Australia (IPAA 2002) highlights that whole of government approaches should be used selectively.

The literature presents many examples of approaches and initiatives in a number of countries and various common themes can be detected:

- the range of supportive structures available

- seamless service delivery

- the importance of culture

- accountability and risk management

- engaging the community

- information and e-government.

Examples and themes

Supportive structures

A recurring theme is the need for each situation/issue to be approached on a case-by-case basis, with a range of organisational arrangements available (Heintzman 2002). There is no 'one size fits all' option and theoretical perspectives exploring the multiple forms of organisational frameworks in contemporary social systems are useful (6 et al. 2002). The key issue is to develop mechanisms and structures for a shared framework, shared goals and shared results which can match structure to task (CCMD 2002).

Considine and Lewis (2003) report on a major survey which investigated ideal structural/support models. They concluded that procedural/pure bureaucratic models are outmoded and are being superseded by network governance/structures to cater for whole of government approaches. Barrett (2003a) describes three structures currently used for governing these initiatives in Australia—the lead agency model, the loose confederation model (e.g. Centrelink) and the board of management. Kamarack (2002) sees the

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2   Mr Perri 6 is a well established British social scientist.

major challenge for 21st century American governments to be the creation of 'portfolios of action' that incorporate a range of different types of governance structures.

There are various models, frameworks and concepts outlined in the literature which attempt to classify whole of government approaches. For example, IPAA (2002) presents a framework of integrated governance (covering service delivery, programs, partnership agreements). Heintzman (2002) develops concepts around the organisational space between integrated policy and service delivery, addressing leadership, responsiveness, cooperation, accountability and information. Ling (2002) develops a framework investigating new ways of working across agencies, developing accountabilities and incentives, new types of organisations and ways of delivering services. Lindquist (2001), Stewart (2002), Wilkins (2003) and Gill and Rendall (1999) contribute to the development of theory about what a whole of government approach is, what it looks like and how it can be undertaken. However, there is no overriding theory that captures all key aspects. This is an evolving field of investigation, both at the practice and theoretical level.

One particular aspect of structure which receives significant attention is the role of central government. Britain has been a leader, establishing mechanisms and structures such as strategic units, reviews, public service agreements (Cabinet Office 2000a). The report, *Reaching Out: the Role of the Central Government at Regional and Local Level* (Cabinet Office 2000b), called for a higher profile of central government in regions, with a clear focus on the delivery of cross-cutting services/outcomes.

In Canada, the 1996 Taskforce on Managing Horizontal Policy Issues found that departments were overly focused on turf protection. The Canadian Centre for Management Development sponsored a national forum on horizontal initiatives and developed tools and guidelines, including the management of budgets, staff, risks and accountability (CCMD 2002). In 2003, the Canadian Public Service Modernization Act (PSMA) established a committee of deputy ministers from departments advising the Secretary of the Treasury Board Secretariat. This committee oversees the implementation of key horizontal responsibilities for government-wide project management.

In Australia, there have been calls for an increased role for the Department of the Prime Minister and Cabinet (Shergold 2003b; Whalan et al. 2003) and for the Council of Australian Governments to act as a coordinating unit (Podger 2002b; Beattie 2002; Moore-Wilton 1999). The Prime Minister, Mr Howard, has played a critical role in identifying priority whole of government issues, such as national security, demographics, science, education, environment, energy, rural affairs and transport (Howard 2002b). There are also examples from the states, such as the Queensland Government establishing cross-government chief executive officer committees to advise Cabinet on whole of government strategies (Queensland Government 2002).

Seamless service delivery

One-stop shop/single-window structures have been developed as a key element of whole of government to promote responsiveness to client needs and to overcome jurisdictional boundaries. Citizens are demanding seamless services and are frustrated with duplications, gaps and lack of integration. Governments are prioritising partnerships between departments and with non-government sectors as the 'delivery vehicle of choice' to respond to these demands (Ling 2002; Fitzpatrick 2000). The design of these services must be based on the needs of citizens to improve access and convenience (Bent et al. 1999). There is a range of approaches being used to organise seamless service, which are not without challenges. Some common issues include turf tensions, technological problems (incompatibility, security, privacy etc.), expectations (increasing demand for services) and partnership issues (coordination of resources, accountability) (Bacon 1998; Bent et al. 1999).

In Australia, Centrelink provides an example of seamless service delivery of a range of government programs to individuals through a widely distributed regional and online network. The Indigenous Communities Coordination Taskforce (2003) is trialling coordinated seamless service delivery of federal and state government support to selected Indigenous communities. The notion of whole of government service delivery in Australia is seen to be exemplified by the Centrelink approach (Centrelink 2003; Conn 2002; Worthington 1999; Rosalky 2003). The Canadian Institute of Public Administration undertook a large survey of individuals and businesses who had accessed 'single window services' (IPAC 2002). The results indicated that there was a high level of satisfaction, particularly with walk-in and telephone services. If people were referred to other organisations there was a marked drop in satisfaction. New Zealand was one of the first countries to institute major public sector reforms. The reforms of the 1980s concentrated on structural changes, rather than effectiveness from a client perspective (Gill and Rendall 1999). In the last few years there have been efforts to address this by developing frameworks for integrated service delivery (State Services Commission 1999b). The concept of circuit-breaking teams is also being used to promote solutions for front-line integrated service delivery in New Zealand (Inglis 2003).

Cultural change

While structures receive considerable attention, even more emphasis is given to the importance of cultural change for successful whole of government management. There is a need to further develop skills and behaviour, such as collaboration, trust, the ability to mobilise teams (Cabinet Office 2000a and 2000b; CCMD 2002; Ling 2002; Lindquist 2001; Bourgault and Lapierre 2000). Increasing mobility of public servants between departments, levels of government and sectors was considered useful in developing these skills and behaviours and for minimising departmental silo perspectives (Cabinet Office 2000a and 2000b, Coombs et al. 1976). While the APS has responded positively to a generation of almost constant change and management

improvement, with greater flexibility, accountability and outcome orientation, more effort is needed to support whole of government approaches (Shergold 2003a; Wilkins 2002a).

One of the major challenges for the public sector in undertaking whole of government approaches is ensuring that participating organisations and personnel understand the implications of this type of work and do not treat it as marginal, extra or 'edge of the desk' (Bourgault and Lapierre 2000; Lindquist 2001). Essentially, the capacities of organisations need to be matched, both in terms of expertise and authority (across departments) to suit the complexity of the task (Lindquist 2001). A related point was the need to place value on whole of government work and provide incentives and rewards for entrepreneurial public servants (Cabinet Office 2000a; Ling 2002; Lindquist 2001; IPAA 2002).

Leadership was considered critical. Most of the Organisation for Economic Cooperation and Development (OECD) countries are finding a gap between existing public service cultures and the expectations of the public. A common response has been to promote a certain kind of public sector leader. This has meant increased activity in leadership development programs, mentoring and defining competencies (OECD 200b). Bardach (1998) developed the concept of 'craftsmanship' in leadership, which focused on collaboration and being able to bring into play the politics, personalities and policy all at the same time. The literature (Cabinet Office 2000a and 2000b; CCMD 2002; OECD 200b) also identified the need to develop skills in shared leadership, identifying a 'champion' and having strong leadership from the centre. A major thrust of the Blair government has been setting out a strategy for improved cross-cutting approaches, by introducing public service agreements and leadership development to change the culture of the public service (Cabinet Office 1999 and 2000).

Accountability and risk management

'Accountability' has taken over from words such as responsibility, scrutiny, questioning—it is a situational concept that needs to be specified in context (G Mulgan 2002). It has received significant attention and is seen as a major challenge. Planning is considered critical, as many of the challenges can be resolved early in the process (CCMD 2001). Weller et al. (1997) assert that the traditional mechanisms of accountability in parliamentary democracy were never designed to cope with multidimensional fragmented policy systems. However, 6 et al. (2002) argue that whole of government approaches can elevate the usefulness of accountability measures for effectiveness and outcomes, in terms of impact and value. There was general agreement that shared outcomes and budgets do need clearly defined accountability and reporting frameworks (Thurley 2003). A key question is: 'How can there be whole of government joint action, common standards and shared systems, on the one hand, and vertical accountability for individual agency performance on the other?' (Podger 2002b; Matheson 2000, Wintringham 2003).

The challenge is getting the balance right between accountability upwards and responsiveness downwards and outwards. Fitzpatrick (2000) puts forward a framework for developing a 'comfort zone' between vertical, horizontal and citizen accountability.

The offices of the auditors-general in Canada and Australia have emphasised their role in being involved in reforms around whole of government approaches (Barrett 2002 and 2003; CCMD 2001; AGC 2002). In Canada, public service leaders have focused primarily on cultural change as the way forward, while the auditor-general has focused on tighter structures and control to overcome increased risk (CCMD 2002). Partnering arrangements, management flexibility and focusing on results challenge traditional accountability arrangements. The Canadian Auditor-General outlines key principles to shift the emphasis from blame towards improved scrutiny of performance expectations against actual performance (AGC 2002). The Australian National Audit Office (ANAO) wants to provide value-added products, such as better practice guides and benchmarking (Barrett 2002 and 2003; ANAO 2003). The ANAO (2003) highlights a number of case studies that have successfully established accountability processes of whole of government initiatives. Miley (2000, 2002) argues that whole of government financial reporting in Australia is difficult because of current inconsistencies of disclosure among government departments. 6 et al. (2002) warn that an excessive emphasis on strong budget control can actually be counterproductive for these initiatives.

The OECD and Britain have produced major reports in the last 12 months about managing risk in a coordinated and collaborative manner to achieve results for complex problems. The overall aim is to have fewer surprises, higher levels of safety, fewer direct costs, a better understanding of risks and trade-offs, partnerships between sectors and a strengthening of international cooperation (Cabinet Office 2002; OECD 2003b). The British report focuses on technological and social hazards, natural disasters and risk management in terms of government business. The OECD report focuses on developing an action-orientated agenda for natural disasters, technological accidents, infectious disease, and terrorism and food and water safety.

The need for risk management to be part of the culture of APS was highlighted, particularly where private and public partnerships are involved (McPhee 2003; Braue 2003; Barrett 2003b). At a broader theoretical level, 6 et al. (2002) emphasise that it is not just a question of anticipating risks, but of building resilience (coping and adjusting to circumstances and being tolerant of failure).

Consultation and working with the community

A common aspect of most whole of government challenges is the need to engage beyond government organisations, particularly with community groups and the public at large (Howard 2002). In Canada there has been more emphasis on citizens than customers or clients, which goes beyond good

private sector practices to encompass citizens who have rights (Aucoin 2002). Consultation, using outside experts and ensuring that citizen involvement is part of the department's culture, was a high priority in whole of government approaches (Cabinet Office 2000a and 2000b; Audit Commission 2002). A 'culture of stakeholder involvement' should supersede the 'taskforce or IDC mentality', where public servants unduly represent the views of their minister/agency (Shergold 2003a; Centrelink 2003). Edwards (2002) argues that public servants need skills to be 'partnership ready' to engage in 'participatory governance'.

Involvement from the non-government sector and community in policy development and service delivery is increasing in Australia (Edwards and Langford 2002). Complex networks have been layered on top of hierarchical organisations and they must be managed differently. Public managers need to rely more on interpersonal and interorganisational processes, as complementary to—and sometimes as substitutes for—authority (Kettl 1996).

The concept of 'governance' is seen to have advantages over that of 'government' in that it can include non-government institutions in the enterprise of governing (G. Mulgan 2002). Edwards (2003) provides a range of suggestions for future collaboration to enhance government's understanding of the complexity of the voluntary sector and the voluntary sector's understanding of government processes.

There is evidence of increasing engagement with stakeholders. For example, Carmody (2002) described a sea change within the Australian Taxation Office to 'co-design solutions with the community'. The ICCT (2003) and Centrelink (2003) argue that communities and government must work in partnership and share the responsibility for capacity building. The Queensland Government (2002) has processes to make government more accessible to the community (particularly the disadvantaged) by taking Cabinet to communities and establishing regional forums attended by ministers.

Information and e-government

E-government is seen as a catalyst for internal public sector change in terms of culture and the way business is conducted. There is a need to integrate e-government into broader reform policies, as it is an enabler, not an end in itself (Cabinet Office 2000c; OECD 2003a).

In Australia, the Better Services, Better Government strategy was released at the end of 2002, providing a framework for developing e-government at a federal level (NOIE 2002). The Australian Procurement and Construction Council developed a national set of guidelines for conducting e-business between government departments and other sectors (APCC 2002). The Management Advisory Committee (MAC 2002) recognised the benefits of collaboration and proposed a two-tier governance structure for Australian government departments to promote interoperability while ensuring investments remain business driven.

In 2003, the OECD released a major report on the use of technology, with ten guiding principles for establishing successful e-government, emphasising the need to be customer-focused and offer citizens a choice. In Britain, electronic service delivery was proposed to break down silo-based delivery networks and allow citizens to interact with government whenever and wherever they chose (Cabinet Office 2000c). This report set out a strategy for all government services to be on line by 2005. A major consultation about developing a mixed economy for the supply of e-government services was launched in 2003. The British government wanted to engage 'intermediaries' (private business, voluntary and non-government agencies) to provide access to government services for their own members and jurisdictions (Office of the e-Envoy 2002, 2003a, 2003b).

Critiques and cautions

There are cautions against seeing whole of government approaches as suitable for all public sector activities. The CCMD (2001) points out that this approach is not a science, is not always relevant, and is prone to problems of 'group think'. IPAA (2002) highlights that it is resource intensive, hard to do and should be used selectively. Edwards and Langford (2002) question whether parliamentary governments can shed their 'narrow go-it-alone' approaches. They assess that the Canadian and Australian experience to date has been only 'modestly successful at best'. Analysing the US situation, Kettl (2002) argues that the gap between the traditional understanding of government and governance has widened. Although there are advanced theories about government, those concerning the relationship between government and non-government partners are underdeveloped.

Peters (1998) sees two contradictory forces pulling Western governments in different directions, when it comes to implementing 'whole of government' approaches. On the one hand, new public management reforms are pushing the centre of government to decentralise decision making. On the other hand, the centre is being called on to strengthen its capacity to coordinate policy development and implementation. Richards and Kavanagh (2000) argue that the managerial changes of the last few decades have worked against integrated approaches to policy and programs by limiting the capacity and incentives for collaboration, integration and coordination. Weller et al (1997) critique the capacity of central governments to take on a coherent coordinating role, as the capacity to maintain control is weakened, not necessarily from outside forces but from a 'hollowing out' from the core of executive government. Di Francesco (2001) also examined the 'hollowing out' or 'rise of the contract state' thesis, which is argued to have reduced the government's leverage over public policy because of escalating fragmentation and loss of expertise. There are also questions of whether whole of government management can be well established within the public sector. Spoul-Jones (2000) argues that current theoretical frameworks and management training programs cannot explain and prescribe this approach effectively. Multiple organisational arrangements feature different levels of interdependency, which require their own skill set. This is underdeveloped and not accounted for in current public administration literature and training.

The Blair government emphasised 'joined-up government' as an important element of its commitment to improve services to the public. British writers have analysed its progress. Ling (2002) argues that by the second term the Blair government no longer saw joined-up government as the only way to modernise government. There was more subdued language around viewing it as a way to provide 'quality services'. There was also little agreement on what was meant, resulting in a contestable and fluid situation. Flinders (2002) and Richards and Kavanagh (2000) conclude that joined-up policies and programs require a more deep-seated appraisal of the structure of Whitehall and the dominant values of the British political elite. The Blair government sees the biggest challenge to joined-up government as 'departmentalism'. However, it is argued by some analysts that politics is about power and winning and the Whitehall–Westminster system was designed to protect individual ministers. Accordingly, even if government set budgets and objectives which cross departments, cross-cutting work will be limited unless there is fundamental change to the budgetary and accountability systems (Flinders 2002; Richards and Kavanagh 2000). Numerous strategies to strengthen the centre and the role of the prime minister in leading joined-up initiatives were established. However, this relies on prime ministerial authority, rather than a broader institutional base and cultural values. If personnel or departmental interests change, it could fail (Richards and Kavanagh 2000).

APPENDIX 4 >>

The following people have made a valuable contribution of the preparation of this report.

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