

What did the program seek to achieve?

AIMS

- Enhance the quality of new policy proposals (NPPs)
- Improve understanding of the Government's fiscal strategy and how it shapes the nature of NPPs
- Build business planning capability
- Encourage new ways of doing policy and services
- Build collaborative relationships between central and line agencies

TARGET GROUP

SES, EL 1s and 2s.



GRADUATE CERTIFICATE IN PUBLIC POLICY AND FINANCE FOR THE AUSTRALIAN PUBLIC SECTOR

A PURPOSE-BUILT PROGRAM DESIGNED FOR FUTURE PUBLIC SECTOR LEADERS.
DEVELOPING MANAGEMENT AND POLICY SKILLS NEEDED TO MEET THE GOVERNANCE
CHALLENGES OF THE 21ST CENTURY.





New policy proposals in the Australian Budget Process

Budget Process	Planning & Prioritising	Government Priority – Setting	September ↓ May
		Cabinet Submission	
		ERC Decision Making	
		Budget Cabinet	
		Budget Delivered to Parliament	
	Spending & Monitoring	Mid-Year Economic Fiscal Outlook	October/November/December
Reporting & Reviewing	Final Budget Outcome	30 September	

Sources of new policy proposals include:

- Prime Minister/Cabinet decisions
- Portfolio Ministers' priorities (Charter Letters)
- Responses to reviews/reports; and
- Election commitments.

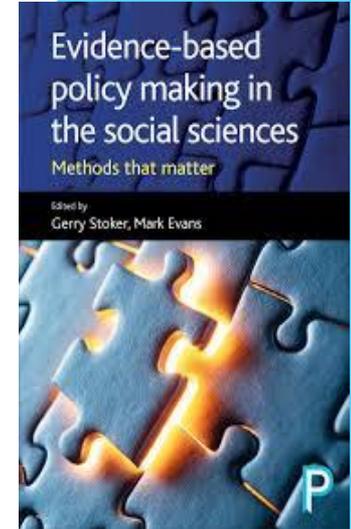
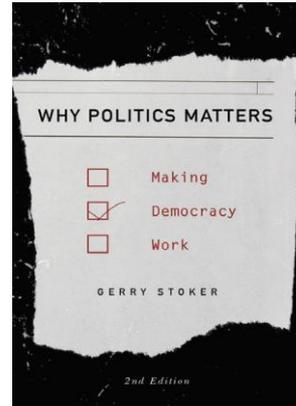
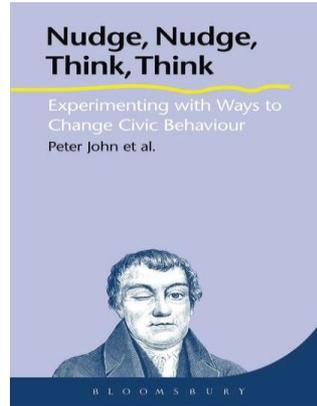
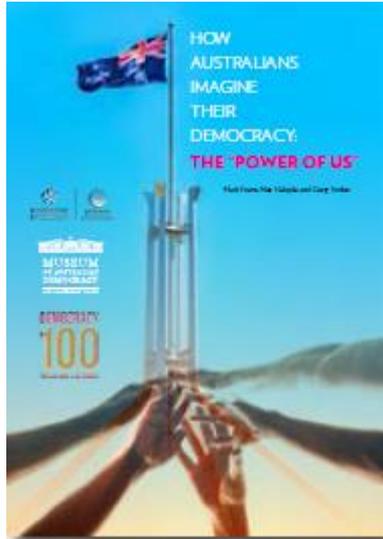
STRUCTURE



1. Policy context – three dilemmas
2. Given these constraints what does good practice look like?
3. Does the Westminster Advisory System have adaptive capacity?
4. What conditions are necessary for better policy-making?

Institute for Governance reports:

<http://www.governanceinstitute.edu.au/research/publications/recent-reports>



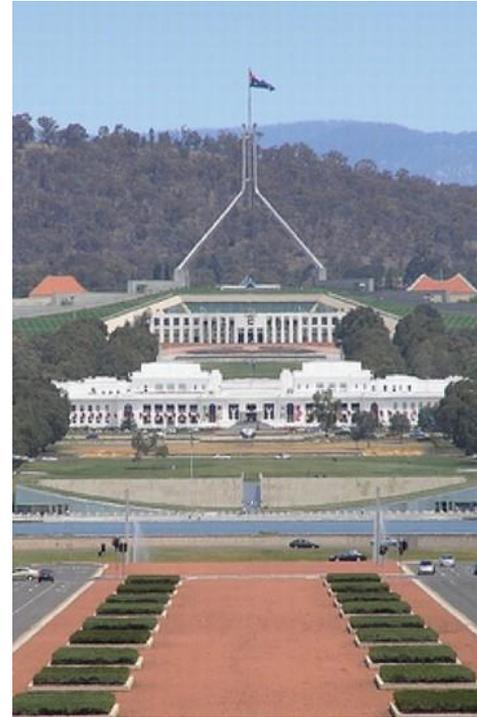
1. Policy context – governing in times of mistrust

Last year we (IGPA & MoAD) commissioned Ipsos to survey 1444 Australians on the relationship between trust in the political system and attitudes towards democracy. We then conducted 10 focus groups with various ‘slices of Australian life’: mainstream Australians (recruited at random, mix of age, gender, family and socio-economic status); older Australians (over 65, not working); young Australians (under 23); new Australians (migrants to Australia that became citizens within the past 10 years); rural and regional Australians (living outside metropolitan Australia); LGBTQI Australians; and, Australians with disability (or carers).

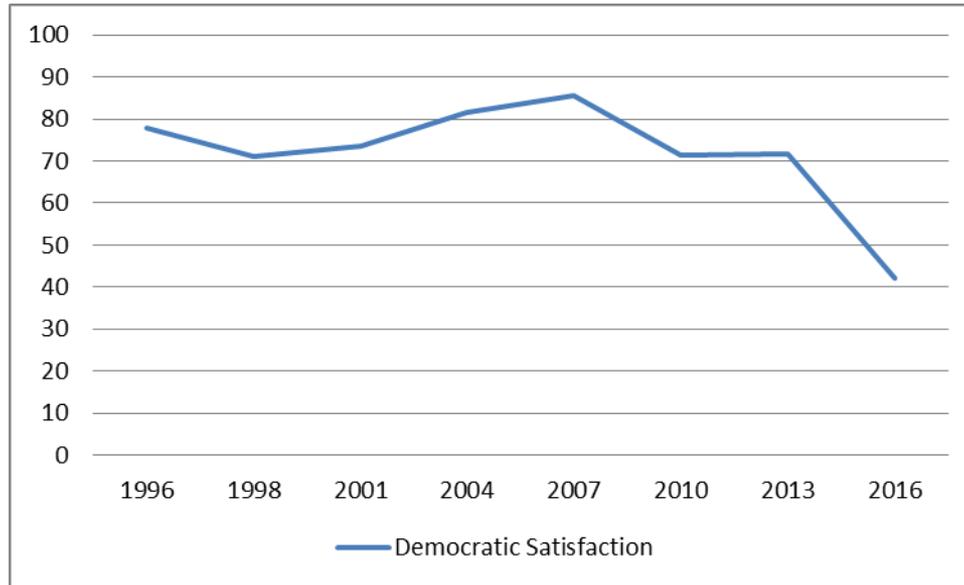


Critical dilemma 1: declining trust

The findings make difficult reading for Australian political parties but provide strong clues as to how to respond and what social science methods can help. We have called it *The Power of Us* survey and the data will inform the design of a new exhibition to be launched in Old Parliament House in March 2017.



Satisfaction with democracy in Australia is now at its' lowest level since 1996



Levels of trust in government and politicians in Australia are at their lowest level since 1993

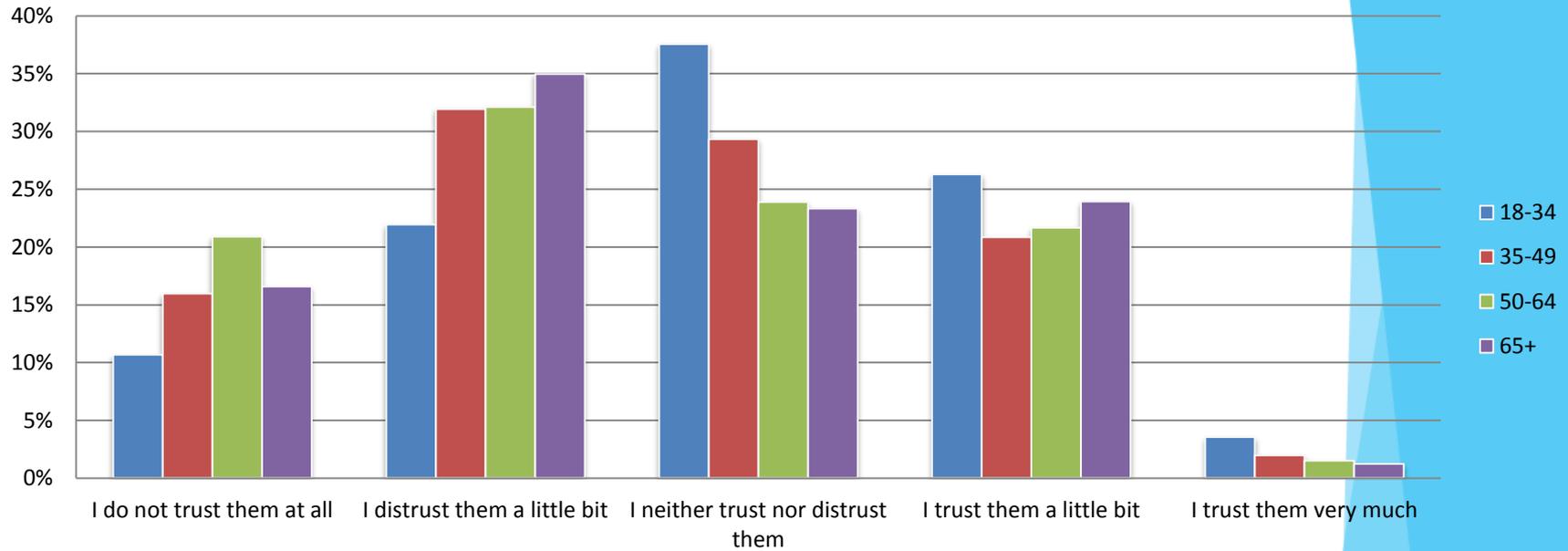
	1993	1996	1998	2001	2004	2007	2010	2013	2016
Usually themselves	42.4	29.8	44.6	40.3	33.8	28.6	36.7	37.9	37.7
Sometimes themselves	23.6	22.5	21.9	28.1	26.7	28.5	26.4	27.8	38.0
Sometimes trusted	25.9	32.8	23.8	20.7	24.7	27.6	28.5	23.1	19.7
Usually trusted	8.1	14.9	9.7	11	14.8	15.3	8.4	11.1	4.6

Perceptions of the motivations of politicians by age cohort in Australia

And remarkably this increases with age...

Q: How much do you personally trust each of the following?

Trust in MPs

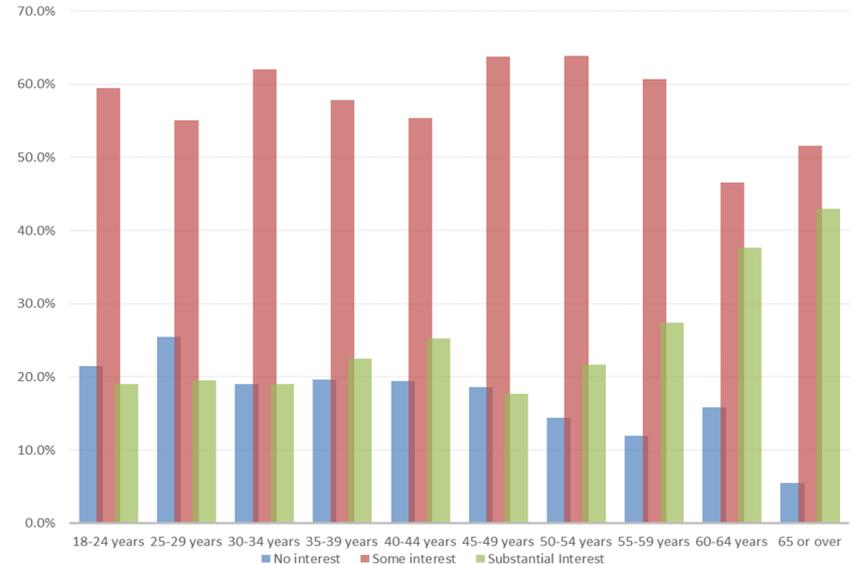


Party loyalty is also at its lowest level since 1967 but interest in politics is strong

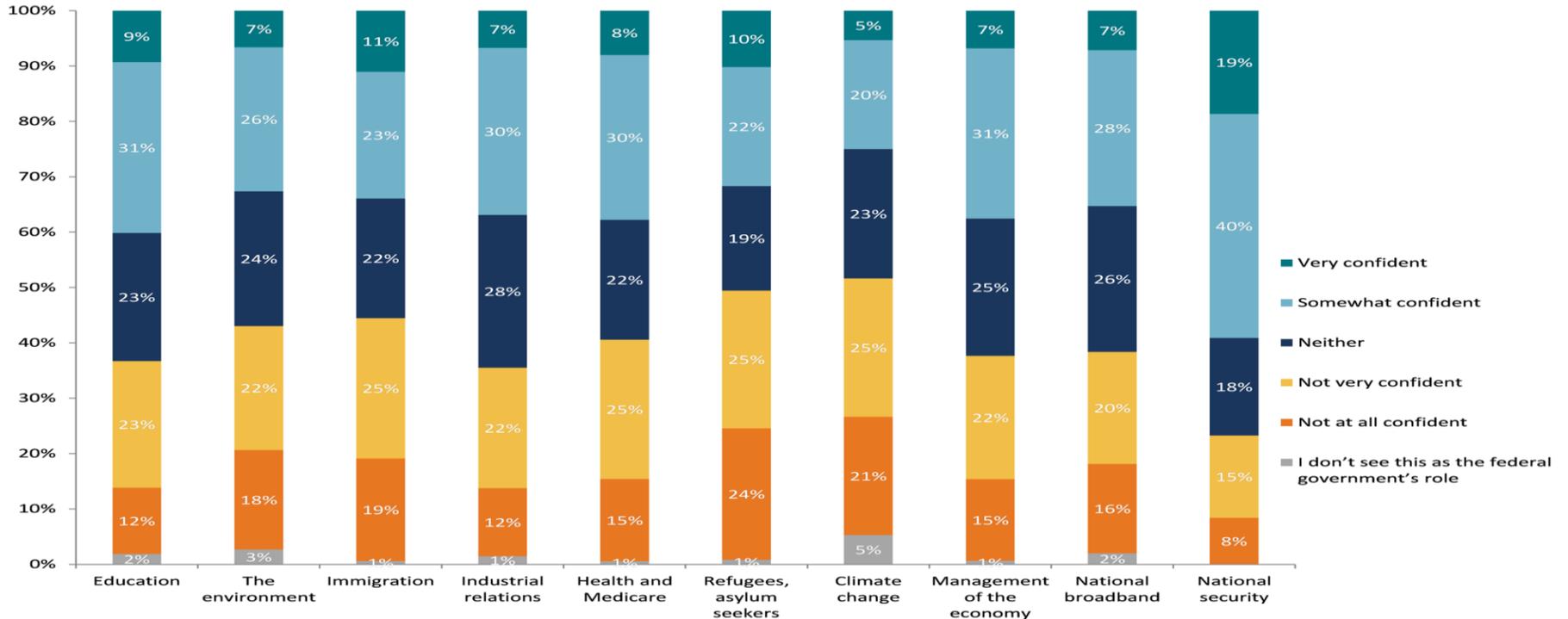
Party Loyalty



Interest in politics by age

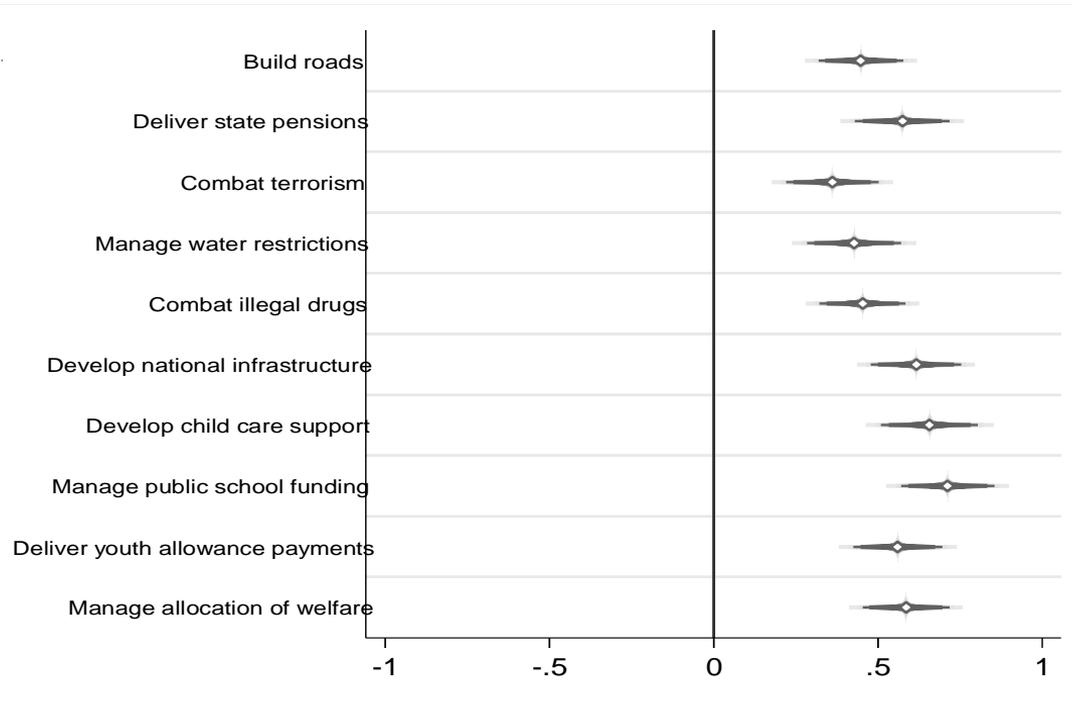


We trust governments to address national security issues but little else



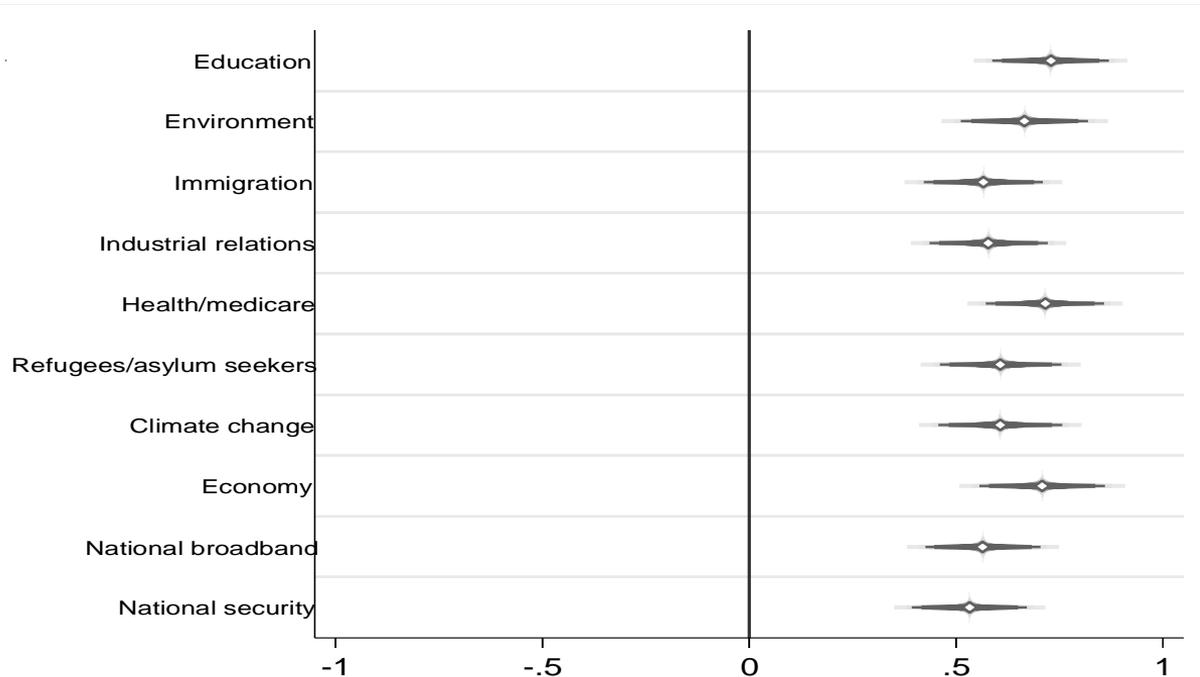
Trust drives limited confidence in the ability of government to perform core tasks

Effect of trust on confidence in government to perform core tasks



Trust drives limited confidence in government to address public policy fundamentals

Trust in federal government on confidence in ability of government to address issues



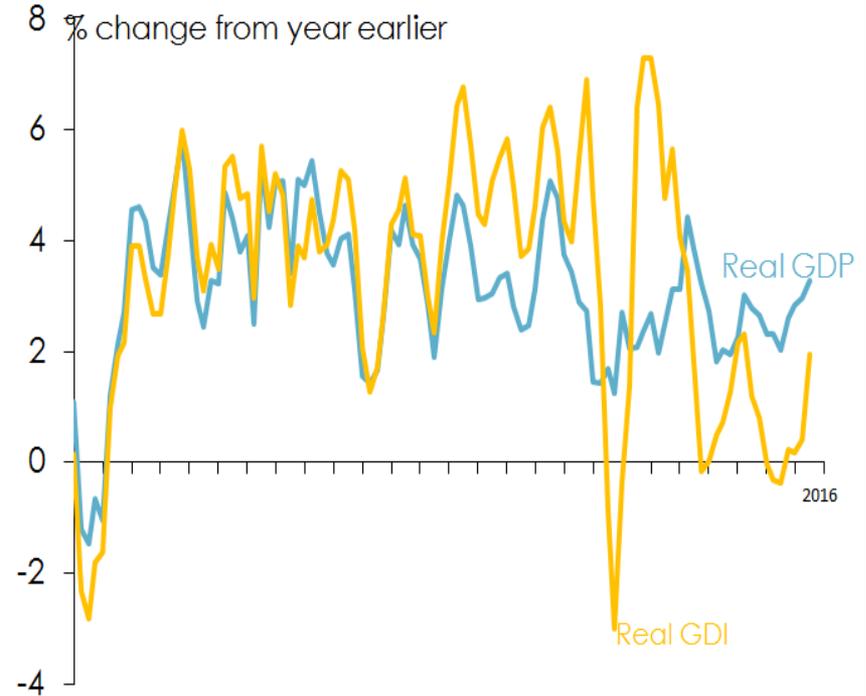
But trust is not yet driving political participation – logistic regression of forms of political participation (odds ratio)

key: + $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

	Non-participation	Conventional participation	Protest	Online engagement
Trust in federal government	1.017 (0.076)	0.897 (0.064)	0.989 (0.086)	0.999 (0.070)
Trust people in government to the right thing	0.978 (0.115)	1.164 (0.121)	1.108 (0.142)	1.040 (0.109)
Age: 50 and above	1.122 (0.190)	1.307 (0.204)+	1.353 (0.259)	0.547 (0.088)***
Male	0.897 (0.140)	1.000 (0.142)	0.653 (0.116)*	1.201 (0.176)
Income: <A\$50,000	1.049 (0.167)	0.835 (0.127)	0.887 (0.174)	0.937 (0.139)
Education: school	0.975 (0.179)	0.929 (0.161)	0.710 (0.155)	0.990 (0.167)
Education: degree	0.718 (0.133)+	1.045 (0.186)	1.403 (0.286)+	1.422 (0.247)*
Recent arrivals	1.171 (0.247)	0.919 (0.185)	1.079 (0.268)	0.914 (0.182)
Indigenous	0.694 (0.177)	1.247 (0.265)	1.417 (0.363)	1.389 (0.306)
English not spoken at home	1.979 (0.354)***	0.518 (0.090)***	0.521 (0.121)**	0.669 (0.115)*
Don't care about election result	1.892 (0.503)*	0.610 (0.170)+	0.900 (0.333)	0.557 (0.150)*
Ideology: right	0.909 (0.048)+	1.030 (0.050)	1.104 (0.064)+	1.070 (0.053)
De-aligned (does not identify with party)	2.115 (0.383)***	0.410 (0.076)***	0.604 (0.155)*	0.628 (0.113)**
Dissatisfied with democracy	1.016 (0.083)	1.025 (0.079)	1.125 (0.100)	1.068 (0.081)
Interest in politics	0.401 (0.083)***	2.230 (0.373)***	2.944 (0.546)***	2.396 (0.424)***
Politics run for big interests	0.882 (0.098)	1.089 (0.112)	1.327 (0.171)*	1.108 (0.112)
N	1,244	1,244	1,244	1,244
Pseudo R-squared	0.09	0.09	0.10	0.07

All of this despite 25 years of economic growth!

Economic growth by real gross domestic product in Australia (1991-2016)

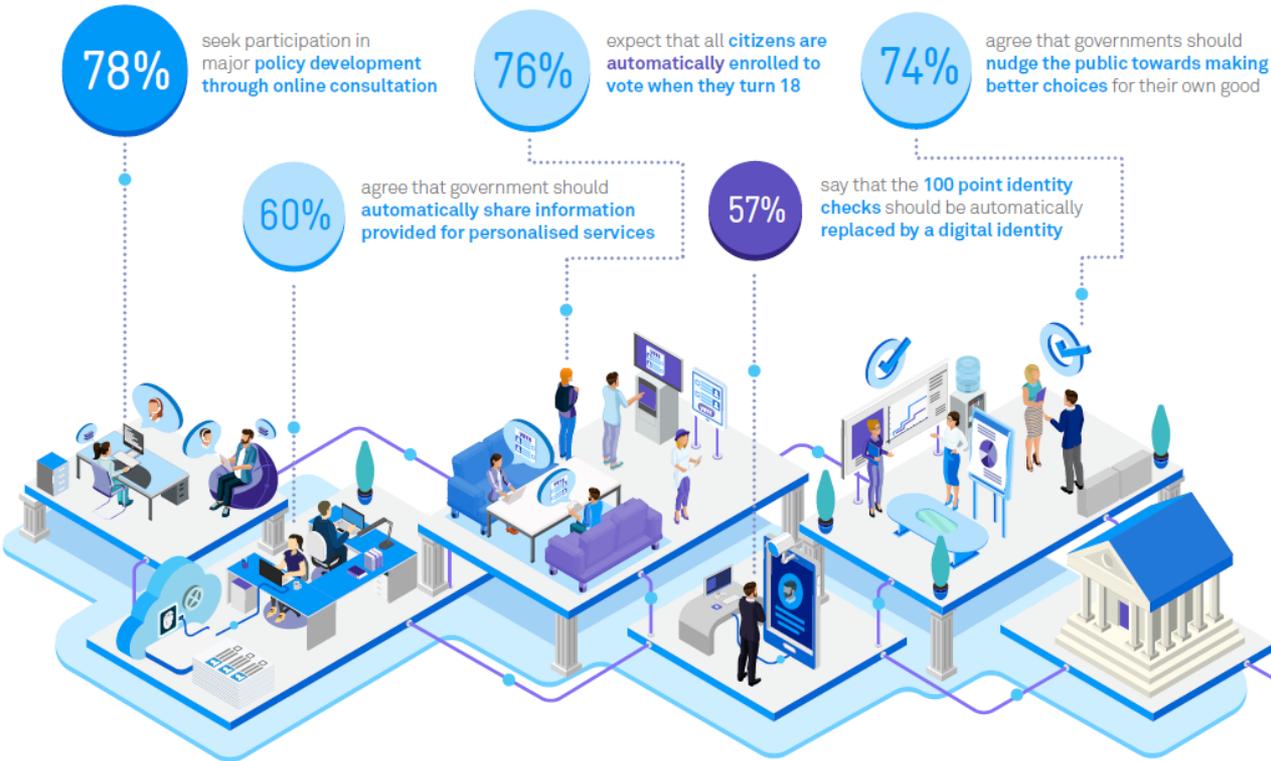


Understanding public expectations of government services



Telstra has partnered with the Institute for Governance and Policy Analysis to conduct the latest round of research in our series on the Australian public's interaction with government services

Amongst our findings: **Strong mandate to innovate**



Embracing digitisation to rebuild trust with the public



73%

agree or strongly agree that delivery of more online services will save time



68%

agree that new, innovative ways of delivering services will improve their view of government services



58%

agree that greater use of online services would improve their interaction with government

Download the full report at <https://www.telstra.com.au/business-enterprise/campaigns/connected-government>

Critical dilemma 2: “seeing like a citizen” requires new ways of doing policy

- E.g. new methods of governing that “enable” (e.g. *remove barriers to citizen participation through digital enablers*), “empower” (e.g. *through co-design/ of projects & services*), “engage” (e.g. *working with and through community-based organisations and trusted intermediaries*) and “mainstream” a culture of “seeing like a citizen”.
- Public services become key instruments for trust building and social science methods are fundamental to policy development.

Implementing
Change



Critical dilemma 3: the policy advisory system under pressure



What Westminster policy advisors say they do and why

Country	Male	Female
“Evidence is a condition of better policy-making” (agree)		
Australia	94	97
United Kingdom	97	97
NZ	93	95

% time spent on developing new policy, programmes or interventions through a “rational process of learning”

Country	Male	Female
Australia	24	20
United Kingdom	27	22
NZ	18	17

% time spent on “retrofitting evidence to decisions that have already been taken”

Country	Male	Female
Australia	76	80
United Kingdom	73	78
NZ	82	83

% who believe that “there is an ongoing tension between short-term imperative and evidence-based policy-making”

Country	Male	Female
Australia	84	85
United Kingdom	85	87
NZ	82	84

% who agree that “there is ministerial indifference over the facts”

Country	Male	Female
Australia	64	62
United Kingdom	59	63
NZ	61	64

What are the major barriers to getting evidence into policy-making?

<p style="text-align: center;"><u>Conceptual</u></p> <p>Pathology of the short-term</p> <p>Anti-evidence culture</p> <p>Culture of risk aversion at the political level transmitted through the permanent level</p> <p>Poor commissioning of research</p> <p>Fiscal strategy</p>	<p style="text-align: center;"><u>Environmental constraints</u></p> <p>24/7 media cycle</p> <p>Public expectations for quick fixes</p> <p>Prevailing socio-economic conditions</p> <p>Problems inherent in multi-level governance and federalism</p> <p>Poor strategic alignment cross government</p>
<p style="text-align: center;"><u>Institutional resources/constraints</u></p> <p>Absence of clear roles and responsibilities for policy officers</p> <p>Dominant agenda-setting role of political advisors</p> <p>Poor engagement capacity of policy officers</p>	<p style="text-align: center;"><u>Institutional resources/constraints</u></p> <p>Lack of support from politicians</p> <p>Short-term budgets and planning horizons</p> <p>Delivery pressures and administrative burdens</p> <p>Poor rewards and incentives</p> <p>Capability deficit in political awareness</p>

The Prime Minister's expectations



Australian Commonwealth
Administration 2013-2016

edited by Chris Aulich



Malcolm Turnbull's clarion call for the APS to be an "exemplar" and/or "catalyst"

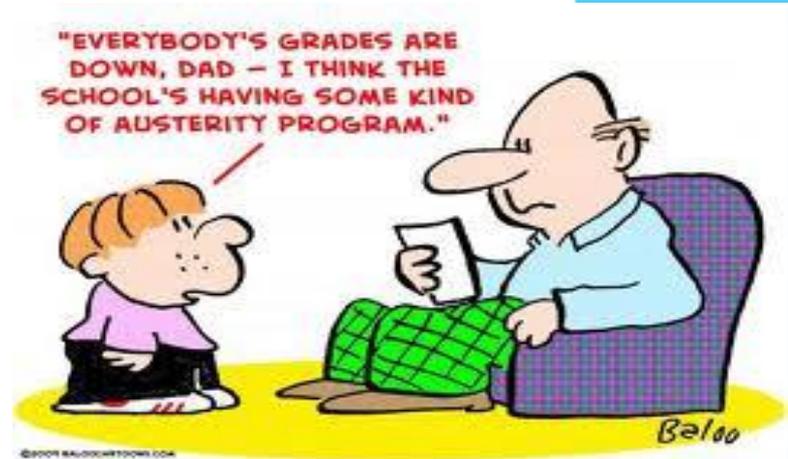
"In this New Economy we need Australians to be more innovative, more entrepreneurial and government should be the catalyst... Now, I talk a lot about people being this country's greatest asset because the next boom is the ideas boom...I want the APS to be part of that boom. That's why one of the pillars of our innovation agenda is government as an exemplar. I want you to be bold in your thinking. I want you to lead by example (Prime Minister's Address to the APS, the Great Hall at Old Parliament House, 20 April 2016, see: <http://www.act.ipaa.org.au/pm-address>)".

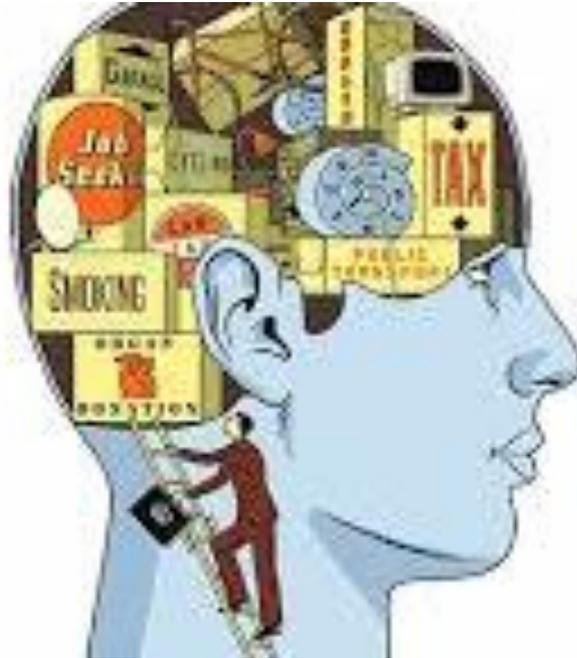


But this is an administration that continues to emphasize fiscal discipline

Set out in Budget Paper 1:

'The Government remains committed to its strategy of returning the budget to surplus by maintaining strong fiscal discipline, strengthening the Government's balance sheet and redirecting government spending to boost productivity and workforce participation.'





2. Given these constraints what does good practice look like?

Capabilities

Detailed knowledge of the financial implications of the proposal

A strong understanding of the tactics and negotiations involved in winning the war of ideas

A firm grasp of key NPP concepts – fiscal strategy, fiscal space, ASL,

Great writing skills
Jargon free,
coherent and well written

Presents a robust evidence base

A firm grasp of key NPP policy tools –
cost-benefit,
impact assessment,
modelling, co-design etc.
depending on the proposal

Presents a succinct understanding of the five components of the NPP:

- what the policy problem is and why the Commonwealth should intervene
- what the expected outcome(s) are and why and how the proposal will achieve it/them
- a short policy impact statement on regional Australia
- the policy justification regarding charging (where relevant)
- who has been consulted and what sensitivities exist

Nine ingredients of effective policy design *for the Twenty-First Century*

<p>Strategic alignment See like a Minister See like her political office See like the central agencies</p>	<p>Use evidence strategically to win the war of ideas</p>	<p>Design a performance framework upfront that prepares for M&E</p>
<p>Ensure “line of sight” between policy goals, delivery and outcomes</p>	<p>Be inclusive consult, co-design, co-produce</p>	<p>Find fiscal space e.g. ASL, innovative finance, smart work, retrofit spending, digital innovation</p>
<p>Experiment where possible, “try, test and learn”</p>	<p>Think long-term</p>	<p>Upfront integration of communication narrative and messaging in policy design</p>

3. Does the Westminster policy advisory system have adaptive capacity to respond to these challenges?

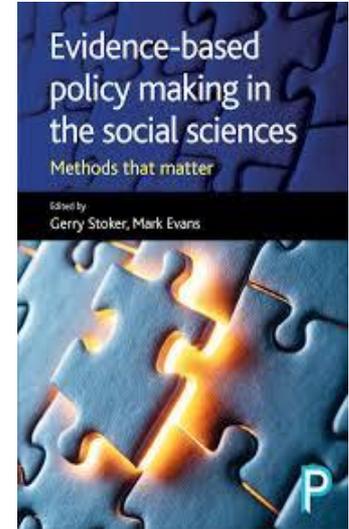
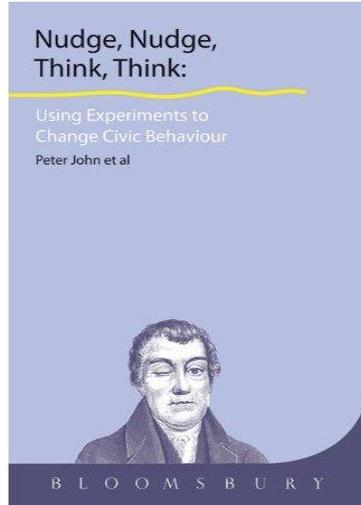
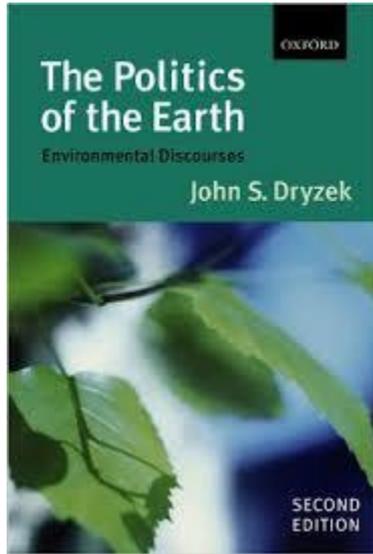


There is evidence of adaptive capacity and social science is leading the way

- Fast policy learning projects using new co-design and accelerator innovation methods e.g. Smart Cities, National Innovation and Science Agile Projects
- User co-design for on-line service provision (Digital Transformation Agency)
- Social inclusion projects e.g. DSS Try, Test and Learn Fund



4 “methods that matter” – “Nudge”, “Co-design,” “Deliberative democratic innovations” and Digital enablers e.g. Big Data analytics



Government is acting as a digital exemplar

Area of innovation	Exemplar
Artificial intelligence	DHS NDI scheme
Data capability enhanced through DEG2 digital enablers	ABS CPI and Freight Movement Projects; ABS On-line First Census; CSIRO Cotton Research; CSIRO Data 61 ; CSIRO Big Data and Earth Observation delivered via the AuScope Grid ; Department of Finance E-invoicing system and Digital Budget; GeoScience Remote Sensing project enabled through Data cube technology via Landsat satellites
Governance (institutional mechanisms to enable and exploit digitisation) (DEG1)	Digital Transformation Agency, NISA Delivery Unit , PM&C Innovation and Transformation Team, Policy Office DSS
Investment (DEG2)	DSS Investment Approach using analytics and Big Data capability
Procurement(DEG1)	NIISA's Digital Marketplace
On-line digital service delivery(DEG1)	ATO's Roadmap of Change for Tax Professionals, and My Tax ; Department of Employment's Work for the Dole Supervisor App ; DHS's MyGov; Service NSW
Regulation	Driverless Vehicle Regulation (National Transport Commission); Identity management (ATO and PM&C)

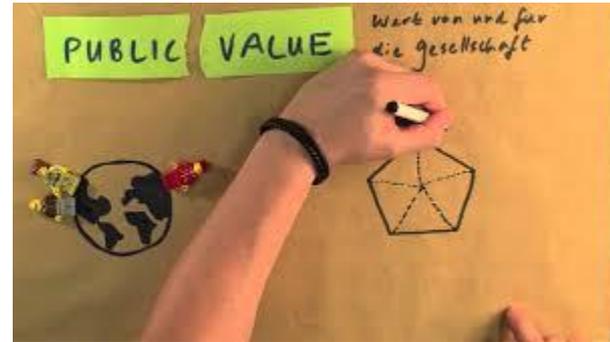
Significant policy innovation is occurring in the AI space

- NADIA is an avatar public servant, artificial intelligence, who works for the National Disability Insurance Agency
- Created by Dr Mark Sagar from the University of Auckland
- Creator of Baby x (see <https://www.youtube.com/watch?v=XBsl3HIB8VE> & <https://www.youtube.com/watch?v=k7eeV9VEtsA>)
- Oscar winner for Avatar, King Kong and Spider Man 2
- NADIA possesses qualities of emotional intelligence co-designed with a group of Australians with disability



Cautionary findings – should lead to better outcomes because:

- Broader ownership and legitimacy
- Balance of expertise – better citizen/user understanding/better overseas understanding/better research evidence
- Proof of concept through experiments



4. What conditions are necessary for better policy-making?

1. Collective trust between the political and permanent elite
2. Collective recognition of the complexity of doing good policy
3. Appetite for experimentation
4. Collaboration
5. Access to social science skills and expertise in design and experimental methods
6. High quality communication in all things

