Whole of Government Challenges for Policy Development

Dr Adam Graycar
Executive Director, Cabinet Office
Department of the Premier and Cabinet

August 2005

Standard ABS series b population projection is that the States population will go into long-term decline within 25 years.

Smaller workforce needing to provide support to larger numbers of older citizens living longer beyond retirement

Prospect of future labour shortages and a labour supply unable to meet the demands of a modern economy

Increases demand for pensions, health and aged care

Need for re-skilling and retraining an ageing workforce

+Declining population =
  declining economy
  less competitive business environment
  restricted variety and choice of products and services
  diminished ability to influence national government and non-government forums
Population/Migration statistics?
Generally speaking a government exists to ensure the public good and welfare of its constituents. Governments pursue their objectives and election commitments through the development of public policy.

Bridgman and Davis say in The Australian Policy Handbook that “public policy is how politicians make a difference. Policy is the instrument of governance, the decisions that direct public resources in one direction but not another. It is the outcome of the competition between ideas, interests and ideologies that impels our political system”.

Every week Ministers in South Australia sit around the Cabinet table with a pile of documents, the volume and complexity of which would challenge anybody.

Knowing what policies to pursue challenges governments continually. Knowing what is the best course of action for practitioners is an equally important challenge.
The Role of Cabinet

What is Cabinet?

Cabinet is the central decision making body of government
Cabinet considers the political, policy and administrative implications of a proposal and settles a government position

Cabinet is appointed by the Governor on the advice of the Premier. It is chaired by the Premier. In South Australia all 15 Ministers sit in Cabinet.

All significant matters are required to be brought to Cabinet. These include:
- strategic policy
- legislative proposals
- inter governmental issues
- administrative matters
- financial matters
There are several critical foundations of the public service.

We need a neutral, professional public service that provides advice to elected officials, enforces laws and regulations and ensures the delivery of services to citizens.

We need an accountability regime with many checks and balances in the system to ensure continuous respect for the public interest.
In public policy there are some perennial issues:

- How to ensure that our education system provides the most appropriate education for our kids
- How to make our diverse population strive for high standards of living while preserving our environment for the future
- How to make sure there is clean water for everybody when you turn on the tap
- How to stop people dying on the roads
- How to spread 40 years of earnings across 80 years of life

Many of the questions are perennials, but the answers change

- Who should pay for these things?
- Who should deliver certain services?
- Should the rich pay the same as the poor?
- If Bill Gates says it’s okay – is it?
- Should government steer more and row less or vice-versa?

How do we develop and maintain the skills to deal with the hardest
policy questions – about people and their lives and aspirations, about the industrial climate, about the sustainability of our national resources, about the protection of our borders?
We grapple continually and relentlessly in the State Government with cross-cutting issues such as water resources, population policy, ageing issues, workforce development issue, technology and society, housing, transport etc.

To take but one example, consider the implications of an increasing number of people in our community experiencing mobility difficulties, whether due to disability or ageing. There is obviously a transport dimension because we can no longer assume that people can drive their car or walk a few hundred metres to the bus or train stop. There are going to be implications for our disability services and our health sector - we not only need to have the local GP or hospital services, we also need people to be able to access them. And we haven't yet started to consider the stock of social capital - if it is healthy, there will be strong networks of support and people will want to help each other out.

In the longer term, if more people in the community have limited mobility we will need to think about how this might affect future housing and planning needs. Local government will have a role - might community transport provide an option? Is the local infrastructure is up to scratch? We may need to engage the
Commonwealth. So at a glance we can see that this one slice of a public policy issue has a myriad of intersections with other areas and tiers of Government. And this can change, depending on how we view the problem, and how we in turn propose to deal with it.

As Henry Kissinger once said, each success only buys an admission ticket to a more difficult problem.
The Policy Development Process

- There are various different models of a good policy process
- The *policy cycle* approach is probably the most useful
  - Policy develops through a standard sequence of tasks
  - The cycle approach stresses that government is a process
The Australian Policy Cycle

A good example in South Australia of a comprehensive policy that affects many areas of the governments activities is the State Population Policy.

The policy calls for joint government and community action to build a skilled, prosperous and sustainable South Australia that supports its people in their career, lifestyle and settlement choices.
Population Challenge for South Australia

- Declining population =
  - declining economy
  - less competitive business environment
  - restricted variety and choice of products and services
  - diminished ability to influence national government and non-government forums
Population Challenge for South Australia (cont)

- Acting alone State Government has limited control
- Decisions are a matter of individual choice
- Trends are driven by economic and market forces
- Many policy levers are controlled by the Australian Government
Identifying Issues

The problem?

- Lower than national average fertility (TFR* 1.7)
- Low share of national migrant intake (4.2%)
- Net outflow to interstate (approx 1,500)
- SA median age 37.9 compared to 35.9 nationally)
- 14.7% of population is 65 and over
In the case of the population policy, the approach that was taken was largely driven by the Economic Development Board telling the Government that a population policy was something the State needed.

There were a range of approaches available to address certain elements of the population challenges, for example, just having a migration policy and nothing else but the policy has been shaped so that it comprehensive and addresses the broad range of population related issues and drivers, just places different weight on each component.
Policy Design

1. Population strategy objectives must be comprehensive: economy, ecology and society.
2. A pro-active population policy is needed
3. A preferred population path should be adopted
4. Policy should encompass population structure as well as numbers: location, skills, age, work and community participation
Policy Design (con’t)

5. Population drivers encompassed should be comprehensive: fertility, mortality, migration
6. Population policy is a matter for all governments and all major stakeholders
7. Complementary policies in education, economic and social infrastructure and the environment are required

(G Withers)
Policy Instruments

There are four main policy instruments

- Advocacy
- Money
- Government action
- Law

• Advocacy – educating or persuading to achieve policy objectives
• Money – using spending and taxing powers to shape activity beyond government
• Direct government action – delivering services through public agencies
• Law – legislation, regulation and official authority

In the case of the population policy the two main instruments used were money and government action.

Advocacy through actions such as
• attracting and retaining international migrants
• Raising awareness about work-life balance
• Influencing the federal government in relation to child care
• Managing an ageing workforce seminar program

Government action through creation of new or expansion of existing programs such as
• Creating a ‘return to work’ credit
• Improving settlement services
• Skill matching database/Job Network pilot
• Increased support for the Migrant Resource Centre
It is most important with consultation to acknowledge that whilst it has an identifiable place in the policy cycle consultation is actually continually occurring and shaping and reshaping the policy as it develops.

The population policy went through a very extensive consultation process. The main aim was to raise awareness of the population issues, identify new issues being faced within various agencies, businesses etc and share information.

Face to face meetings with key stakeholders was the main form of consultation.

Partnerships were also forged with key agencies to ensure that implementation would be made smoother.
The population policy is different to a lot of other policies in that it acknowledges work that is going on elsewhere by other agencies, organisations or jurisdictions that will contribute to achieve the policy objectives, despite having a separate life.

In effect the population policy piggy-backs on other policies.
Cabinet submissions are the basis for the Cabinet decision.

They follow a strict format and include:
- Economic, budget and financial implications
- Impact on community including small business, environment, regulatory impact, regional impact and social
- Spread and results of consultation

Properly prepared Cabinet submissions aid effective decision making and aid effective implementation.

In Cabinet Office our role is to analyse the submission and provide advice to the Premier and ensure that a whole of Government approach has been taken to develop the policy proposal.

Of course despite all the best efforts and following the rigour of the policy process there is no guarantee that the policy will be approved in the recommended form.
Implementation of the population policy was given to DPC to undertake. The role is largely one of coordination as DPC itself as a central agency does not actually do much in the way of service delivery.

With the population policy most of the implementation is by way of program delivery by agencies. Some small components are contracted from outside organisations eg with Expat SA.

Pitfalls....

An issue with implementing the population policy is that some actions are clear cut and easily implementable whereas others actually need cross-agency work to work how the actions should be implemented.

Other problems encountered include that the policy did not stipulate who the lead agency should be in some instances. The relevant agency has since needed to be pursued to that they should take the on the responsibility after the Government has made the commitment. Ideally these types of arrangements would be resolved prior to the policy being adopted.
The population policy includes a range of targets. Evaluation is therefore twofold – evaluation of implementation of each of the targets and evaluation against the overall objectives of the policy.

It is much easier to evaluate programs that are an extension of existing programs than it is to evaluate new measures.

As the ultimate aim of the policy is a population of 2 million by 2050, the policy needs to be continually evaluated and reviewed along the way.

The election cycle is an important part of the evaluation as existing or new government reassess their commitment to the policy.