Public Sector Responsiveness in the 21st Century

A Review of South Australian Processes

May 2002

Foreword

The Task Force welcomed the opportunity to review the current operations of the South Australian public sector, and to examine ways of helping it to become more open, accountable and responsive to the community.

We were heartened by the positive reception to the Review in both the public sector and the community. We met with a range of people and were presented with a variety of views. This provided an excellent foundation and valuable guidance for our work. We extend our sincere thanks to all who contributed to the Review.

The public sector, in general, comprises talented and hard working people with a strong commitment to serving the community and Government. In past decades, South Australia has been a leader in many areas, and the public sector has contributed greatly to this.

With increasing demands, but limited resources, the public sector must work smarter and more innovatively to achieve desired outcomes. However, the public sector's ability to do this has been weakened by a range of factors including a culture of risk aversion, working in 'silos' and confused accountabilities.

Leadership and cultural change in the public sector will be more important, overall, than major structural changes, to address these issues and achieve the Review's objectives. Motivating people by recognising innovation, collaboration and responsiveness will be essential. Strong leadership by the Government and throughout the public sector will be fundamental.

Working together collaboratively, both with the community and within the public sector, is also essential. A public sector that communicates and interacts more effectively across government and with the community will help to harness the State's capabilities to deliver on agreed outcomes and foster a vibrant, cohesive community. Empowering and building the capacity of the community for effective interaction is important and the public sector makes a valuable contribution to this.

Working together in the public sector to achieve strategic objectives will rely on roles and accountabilities being clearly defined within a meaningful framework.
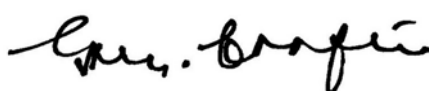
People within the public sector are its greatest asset. Valuing and investing in these people through appropriate recognition and development will maximise the potential of this asset.

Maintaining high standards of probity, ethical behaviour and transparent practices will promote public confidence in how government operates. This must also underpin effective and efficient processes within the public sector, which in turn will facilitate responsiveness. A number of our recommendations are aimed at streamlining several existing processes rather than creating more processes.

We have developed practical solutions for a range of issues brought to our attention during the Review. We are confident that implementation of these recommendations will effectively enhance the public sector's responsiveness to both the Government and the community.

Hon John Fahey AC **Hon Greg Crafter** **Mr Rod Payze**

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Chapter 1   Introduction

1.1   Background

In December 2001, the South Australian Government established a Task Force to review public sector processes in order to improve responsiveness.

Following the state election in February 2002, the new Government reaffirmed the Review, requesting the Task Force provide a report to the Government by May 2002. The terms of reference for the Review are presented in **Box 1**. Terms and conditions of employment for public sector employees were specifically excluded from the Review.

1.1.1   Task Force

The Task Force members are Hon John Fahey AC (Chair), Hon Greg Crafter and Mr Rod Payze.

The Task Force was supported by a small project team (**Attachment 1**), which undertook research, provided administrative support, and assisted in the preparation and formulation of the report and its recommendations. The project team commissioned papers from Mr Mark Coleman and Professor Andrew Parkin on governance and accountability and promoting a whole of government culture respectively.

1.1.2   Process

Written submissions were invited through a media release on 17 December 2001. The Task Force received 25 written submissions from a wide range of individuals, organisations and government departments (**Attachment 2)**. The Review's Terms of Reference and a web-based discussion forum were available through www.talkingpoint.sa.gov.au.

The Task Force met on twelve occasions (usually for 2-3 days each time), holding over 30 meetings with individuals and organisations within the community and government. The Task Force also undertook a community visit to conduct a detailed analysis and inspection of a number of the partnership initiatives listed in the terms of reference.

Members of the project team extended the consultation process by holding over 50 meetings with a range of stakeholders. They also attended some consultation forums held by government departments when preparing written submissions.

A Reference Group of government Chief Executives, chaired by the Chief Executive, Department of the Premier and Cabinet, provided a sounding board for the Task Force on issues raised. The Task Force also held two workshops with the Senior Management Council, which comprises the Chief Executives of each government department and the Commissioner for Public Employment.

1.2   Context

1.2.1   Global Trends

Public sectors around the world are facing significant challenges. One such challenge is how to modernise and improve public sector functions so that policies and service delivery are responsive to the community.

This challenge is driven by global trends including:

- increased community expectations of better standards of living and that public sectors will deliver quality responses tailored to needs

Box 1:   Terms of Reference

It is recognised that a modern government which is responsive to the community it serves will, in formulating its policies and in shaping and delivering its programs, consult widely with and enter into productive partnerships with relevant sectors and interest groups in the community. In so doing a modern government will also seek to satisfy the community's expectations for whole of government approaches to policy development and program delivery.
It is recognised that high standards of probity and accountability in the public sector are fundamental to the maintenance of public confidence in the operations of government.

It is also recognised that the present accountability and probity framework – both statutory and administrative – has evolved over time and may not be conducive to the achievement of a high level of responsiveness by government departments.

It is important to ensure that government processes and systems allow the abundant talent within the public service to be used to greatest effect.

The review group is therefore asked to:

- examine and make recommendations in relation to strategies and proposals for achieving a more productive interaction with community and interest groups in the formulation and delivery of government policies and programs. In so doing regard should be had to successful government initiatives such as Food for the Future, the Port Augusta Social Vision and Action Plan, the Southern Partnership and Playford Partnership and Partnerships 21.

- examine and make recommendations in relation to strategies and proposals for improving cooperation and interaction between departments and for achieving more integrated whole of government solutions to policy and program issues.

- examine the present accountability/probity framework and process – both statutory and administrative – and make recommendations for reform to:

- ensure that best practice standards of probity and accountability are maintained, and

- remove any unreasonable process burdens on departments which impede them from meeting their obligations to the government and the community in a timely and efficient manner.

Terms and conditions of employment for public sector employees are specifically excluded from this review.

- increased community demand for participative democracy

- technology and its potential to impact on how services are delivered (especially information and communications technologies, which underpin user-orientation, flexibility, efficiency and responsiveness)

- governments focusing their work on fundamental roles and outcomes

- governments downsizing their public sectors

- budget pressures - global competition demands that taxes and charges are reduced, which has a consequential effect on governments' revenue bases

- application of knowledge and technology that provides opportunities to add value and take advantage of global markets

- the need to grow economies sustainably and to measure growth in the context of a triple bottom line – economic, environmental and social.

Response of governments

In this environment, governments have adopted greater levels of transparency and accountability, contributing to a more informed community.

In a number of countries in recent years, the demand for high and continually improving standards of service by the public sector has led to a major shift in how governments are administered. There has been a move away from single agency service delivery to more integrated solutions. Governments have also had increasing regard to the diversity of the populations they serve and have facilitated community participation in the processes of government. This has helped to more appropriately match community expectations with what government can deliver, by building greater understanding between the two.

Collaboration, coordination, partnership, 'joined-up' government and networked government are concepts increasingly being used. Governments working in a collaborative manner tend to be more responsive to the community and are able to develop positive cultures within their public sectors.

1.2.2   Challenges for South Australia

South Australia faces similar challenges to those faced globally. In addition, this State has some unique characteristics requiring it to work smarter and better. For example, in South Australia the percentage of people in older age groups is increasing. This places greater demand on the allocation and management of certain services, such as health care.

The Task Force believes another example is the effect of the Government not having the numbers to govern in its own right. This situation has contributed to a reactive attitude not only in the elected government, but in senior levels of the public sector. This, together with the legacy of the State Bank failure, has contributed to a risk averse culture and a tendency to control through processes.

Similar to what has occurred elsewhere, South Australia's public sector has undergone considerable change over the last decade. There has been a significant reduction in total number of employees and a significant increase in the level of outsourcing of certain functions and services, reflecting the need for greater efficiency and flexibility in government. The business of government and the role of the public sector have changed such that it is unlikely the public sector will return to its previous proportions. Achieving more with less requires a confident, well skilled and cohesive public sector with a 'can do' attitude.

South Australia is a state with a relatively small population with a corresponding constraint on economic growth. South Australia must do things better to compete; however, its size also creates an opportunity to make things happen.

Supporting a competitive economy

A competitive economy encourages growth, the creation of employment opportunities and wealth creation. The Task Force therefore believes all sectors of the South Australian community, not just the public sector, must ensure sufficient effort is placed on supporting a competitive economy to provide resources for a range of government services and programs.

There are already some key industries aiding the development of South Australia's competitive economy. These industries could be further enhanced to benefit the State through industry and government working closely together. A good example of this in recent years is the food industry, through the State Food Plan and Program.

Such successes created by collaborative ways of working need to be built upon to create a climate in South Australia as a 'can do' State.

Working together

Working together in an integrated way is a mind set and a culture, which needs to occur at all levels of government. People, rather than processes and structure, are central to this way of working, combining a wealth of experience and know-how when they work with each other to achieve defined outcomes.

The Task Force has also observed a significant degree of goodwill and willingness to embrace more open and collaborative methods of working in the public sector. The Task Force believes the South Australian public sector wants to make things happen for the State.

1.2.3   Task Force Approach

The Task Force has identified a number of areas it believes should be addressed to further strengthen the responsiveness of the South Australian public sector. These areas are discussed in subsequent chapters. The principles and issues addressed in the report and relate to the whole State Government public sector; however, many of the recommendations focus on the public service, that is administrative units under the *Public Sector Management Act 1995*.

The Task Force did not examine every aspect of government but instead concentrated on key areas, actions and processes that the Task Force believes will have an important impact on how the public sector assists the Government in formulating its policies and delivering services to the community.

This Report documents the Task Force recommendations on how to make these areas, actions and processes clearer and more efficient.

1.3   Defining Responsiveness

Responsiveness to the community can be considered in terms of:

- development of policy and strategy
- the way in which services are delivered.

To assess government responsiveness, there needs to be inbuilt mechanisms to measure, evaluate and improve responsiveness in a balanced way. It is essential these mechanisms take into account community views, particularly where there is no direct link between the

government and the community (for example where a contracted provider, rather than the government, delivers the service to the community).

1.3.1   Policy and Strategy Development

The Task Force considers responsiveness is about listening to, and interacting with, the community to identify needs and priorities and meet these where possible.

It also involves managing the subjective and varied expectations of the community and individuals. Governments will not be able to meet all expectations. However, issues raised by the community and individuals should be considered to build responsiveness.

Responsive governments interact effectively with the community to determine needs and expectations. They are approachable and accessible, actively addressing the issue of why certain sections of the community have difficulty interacting with government. These governments provide the community with the opportunity to influence policy and strategy. This may be facilitated through electronic or more traditional means that are open and transparent.

Effective communication between the community and government is vital. This relies on government tailoring the mechanisms and language it uses to communicate, by being sensitive to diversity in its many forms within the community.

1.3.2   Delivery of Services

The Task Force believes responsive service delivery has a number of important attributes including:

- respect for the user through proactive, open, problem solving and facilitative approaches

- accessibility in terms of hours of operation, location and technology

- timeliness (efficiency)

- quality (which may also include relevance, completeness and how tailored the response is to the community)

- coordination between government services

- capacity to allow continual improvement through feedback.

1.3.3   Internal Processes

Effective and efficient processes within government underpin responsive policy and strategy development and service delivery. While important, these processes may not be apparent to the community. The Task Force has focused on a number of these key processes and makes recommendations to improve their efficiency and effectiveness.

Chapter 2   Culture and Leadership

2.1   Introduction

There are a number of themes underpinning many of the specific issues that emerged in the Review and are discussed in subsequent chapters of this report. These themes include: culture, leadership, recognition, governance (roles and accountabilities), priority setting, innovation, people development, communication, and risk management. Of these, the Task Force considers culture and leadership are of fundamental importance.

Culture and leadership are almost inseparable as leadership is vital in generating and promoting culture. The Task Force therefore believes individuals and bodies in key leadership positions, such as Cabinet, Senior Management Council and Portfolio Chief Executives, have a vital role in developing, promoting and modelling a culture for the public sector, which will allow it to be responsive. Notwithstanding this, the Task Force notes that the development of culture is the responsibility of everyone within the public sector.

2.2   Culture

2.2.1   The Current Environment

Investigations by the Task Force indicated the pervading culture of the public sector is one of excessive cautiousness and indecisiveness. The Task Force was informed on a number of occasions that the public sector has lost its ability to take managed risks and to give frank and fearless advice due to a number of factors, including:

- unclear or confused governance arrangements, in particular, a lack of clarity of roles and accountabilities at all levels. This has led to confusion about what people can and cannot do and about what risks are acceptable and those that are not

- an intolerance of mistakes, and as a result, a fear of the consequences of taking action and making mistakes. Priority has been placed on ensuring that 'bad' things are prevented, rather than 'good' things facilitated. Rather than learning from mistakes, there is a tendency to hide them.

The Task Force has been advised that systems and processes have been introduced to avoid risks and the occurrence of similar mistakes in the future.

The consequence of all these factors is a risk averse culture within the public sector, mitigating against an outcome-orientated and 'can do' customer focused public sector.

The culture of the public sector is also characterised by a 'silo mentality' arising from a focus on the outputs of individual departments rather than whole of government outcomes.

2.2.2   Moving Forward

The Task Force believes a change in approach and culture in the public sector is essential. Central to this change is a move away from risk avoidance and control-based management without compromising best practice standards of probity and accountability. In particular, the Task Force believes that if the public sector is to be innovative and responsive to the changing needs and priorities of the community, it must function within a culture that accepts properly managed risks as an essential element in the management process.

Whether the public sector makes this change will largely depend on the willingness of Ministers and Chief Executives to promote the taking of carefully considered and

appropriately managed risks. If the operating environment is one of blame and punishment for mistakes, innovation will be stifled.

A culture that promotes and rewards collaboration is also essential. Given the size and complexity of the public sector, the Task Force acknowledges the need for individual departments and agencies to exist and for people to have a sense of belonging or identity within them. However, the Task Force also believes that individual departmental cultures should not diminish the capacity to work together to achieve whole of government outcomes.

Characteristics

Repeatedly the Task Force heard that the South Australian public sector may be enhanced by continuing to develop a culture that is characterised generally by:

- collaboration and cooperation, both within the public sector and with the community

- a focus on outcomes

- the empowerment of people and departments, combined with accountability for processes and results

- respect for the customer

- innovation and creativity

- an accessible and inclusive approach to stakeholders

- an exchange of knowledge

- effective communication

- the recognition of results and achievement

- risk management rather than risk aversion

- a proactive 'can do' approach

- transparency.

The Task Force considers the public sector is well placed to move towards a culture that embodies the above characteristics. The Task Force observed this change is beginning to occur in some areas.

2.2.3   Planning for a New Approach

Continued development of public sector culture will be assisted by a range of factors within clearly defined and agreed governance arrangements. A long term focus is necessary for the desired culture to become an integral part of the way government does business. This requires continual re-emphasis and discussion at all levels of government of the vision and values for the public sector, accompanied by appropriate changes in behaviour and attitude.

The desired culture and supporting systems and frameworks should be developed through collaboration between Ministers and the public sector to ensure ownership by everyone.

The Premier

The Task Force believes it is important for the Premier, as the leader of the public sector, to take every opportunity to reaffirm the fundamental role and value of the public sector. The Chief Executive of the Department of the Premier and Cabinet plays a complementary role in the ongoing development of the public sector.

Cabinet

The Task Force believes culture is influenced by the Cabinet system and processes. Collaboration, cooperation and transparency can be promoted through the Cabinet system by:

- early consultation with relevant agencies on proposals for Cabinet, particularly at the development stage

- joint submissions by Ministers

- use of Cabinet Committees to allow high level, cross government debate on matters prior to their consideration by Cabinet

- Community Cabinet meetings.

Department of the Premier and Cabinet

The Task Force believes the Department of the Premier and Cabinet should foster cultural change across the public sector.

The Commissioner for Public Employment also has an important role in facilitating this cultural change.

Other government departments

The Premier's and Ministers' commitment to the public sector must be complemented by a commitment at Chief Executive and other levels across government, to make sure that employees have an understanding of:

- roles and accountabilities

- ethics and standards of behaviour

- parliamentary and government processes

- the principles of best practice public sector management, including responsiveness to stakeholders.

How performance is measured through formal and informal processes will be important. Skills and behaviours that demonstrate inclusion, collaboration and cooperation across government should be recognised, including through the selection and training of people.

2.3   Leadership

The Task Force considers leadership will be crucial in creating a culture conducive to collaboration, innovation and risk management.

2.3.1   Current Environment

While conducting this review, the Task Force has observed some inspiring examples of leadership within the public sector at all levels and for a variety of programs, projects and initiatives.

2.3.2   Moving Forward

The Task Force considers it is important that leadership capabilities in the public sector continue to be fostered, as part of an ongoing, long term strategy. Accordingly, leadership development requires a public sector wide commitment. The Task Force considers the Commissioner for Public Employment should continue to report on programs and progress in the Commissioner's annual report to Parliament.

The Task Force holds the view that effective leadership throughout the public sector also requires a number of other factors including:

- clarity of vision, policies and priorities

- commitment to achieving agreed outcomes

- cross government collaboration and support

- effective interaction with external stakeholders.

The Task Force recognises that over recent years, South Australia has adopted a portfolio style of governance that has resulted in a reduction in the number of Chief Executives. Therefore, the leadership qualities of this group has a greater influence than ever before. Leading by example at this level is paramount.

Senior Management Council

The Senior Management Council, comprising 11 departmental Chief Executives and the Commissioner for Public Employment, is an important forum to discuss cross-government issues and to provide leadership in achieving a coordinated approach to major issues impacting across the public sector. It is a powerful leadership vehicle, able to influence cultural change and strengthen the foundations for working across government.

Central agencies

The role of the central agencies, defined in this report as the Department of the Premier and Cabinet, Department of Treasury and Finance and the Crown Solicitor's Office in the Attorney-General's Department, is to assist the Premier and Cabinet to facilitate the achievement of the strategic outcomes for the State. Central agencies are able to provide leadership through facilitating and empowering other agencies.

In particular, the role of central agencies is to:

- articulate and communicate shared objectives

- facilitate cross government collaboration

- measure progress on the achievement of whole of government outcomes

- provide leadership in whole of government strategic planning and priority setting

- think beyond traditional boundaries to what could be achieved. This will also require communication with other levels of government, business, community and volunteer sectors.

Changing demands in today's public sector require leadership to focus on collaboration and coordination to achieve agreed outcomes. As a result, the Task Force recognises there is a need to review the appropriateness of selection criteria and the effectiveness of leadership development program. There is also a need for performance management and agreements to reflect these changes. Instead of only focusing on individual departmental outcomes, leaders need to be also accountable for achieving cross government outcomes.

A critical factor for a successful future is a well-led public sector.

Chapter 3 Governance

3.1.1 Aim

To have a clearly articulated and understood system of governance that provides for superior performance and accountability in the public service.

3.2 Defining Governance

Governance within the corporate sector[1] can be defined as 'directing' and 'controlling' (ie governing) the various activities of a given organisation rather than the day to day 'doing' of them. Corporate governance concerns achieving results wanted by an organisation's stakeholders in ways that are acceptable, and also avoiding unacceptable results and inappropriate methods.[2] Similar notions could also be applied to governance[3] within the public sector as indicated in the following description:

> In the Westminster system of government, the individual members of Cabinet (Ministers) are accountable to Parliament for the performance of the public service … However, Ministers are physically unable to undertake all the tasks of their Departments and agencies necessary to achieve their objectives. How can they be accountable for things that they cannot themselves do?

> The system of governance is the link between the accountability of the Minister (or Cabinet as a group) and the use of other resources to carry out the activities …

> Governance is simply the system (the policies, the rules, the monitoring, the reporting and the checking) which enables Ministers to be confident that what is happening is in accordance with their desires and expectations, without having to do it all themselves.

> Governance is the link between the activities of management and staff, and the government's vision … It is the means by which Cabinet's vision for the State is conveyed to public sector management, and by which management's actions are reported back to Cabinet and measured against Cabinet's expectations.[4]

3.2.1 Differences between Corporate and Public Sector Governance

There are important differences between corporate and public sector governance, reflecting the different frameworks of the two sectors (ie Corporations Law as opposed to Administrative Law and Parliamentary practices) as well as their different emphases. As discussed below, these differences mainly relate to the area of accountability.

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[1] In this, the corporate sector mainly refers to stock exchange listed companies within the private sector.

[2] Coleman, M. (unpublished), *Governance and Accountability.* A discussion paper prepared for the Task Force on the Review of Public Sector Processes, 2002.

[3] For the purposes of the discussion on governance, the public sector is limited to the administrative units (ie departments) created under the *Public Sector Management Act 1995.* It does not encompass the various statutory authorities established under the *Public Corporations Act 1993* or individual statutes. The Task Force understands statutory authorities are the subject of a separate review.

[4] Owens, L W. (unpublished), *Public Governance and the Government Management Framework. A Proposed Model to Support GMF Implementation.* Paper to the Senior Management Council, 1999.

A range of dilemmas affects governance in both the corporate and public sectors; however, the challenges confronting the public sector are made more difficult by the complexity of its circumstances. These include the array of issues confronting government, the existence of multiple stakeholders with often conflicting interests, and the very public and adversarial manner in which accountability is exercised.[5] Some of the key dilemmas affecting public sector governance relate to:

- a lack of clarity in objectives and measures of success/good public sector performance

- the need to be innovative and outcome focused while maintaining high standards of probity and a prudent approach to risk taking

- achieving an appropriate balance between the 'conformance' and 'performance' roles of the Government.

Objectives and measures of success

In the corporate sector, the prime stakeholders of, for example, a stock exchange listed company are the company's shareholders. While they may also want the company to be a good corporate citizen with respect to environmental and social objectives, the shareholders' main objective is wealth creation. Share price and financial ratios from financial statements can measure this reasonably objectively. In contrast, the public sector has more complex and varied objectives and less clear measures of success. In the public sector (and to a lesser extent for not-for-profit incorporated entities) there are multiple stakeholder groups and multiple interests that are not always easy to define and may often conflict. Measuring success is more difficult because of this and the fact that it is difficult to establish objective indicators of success.

Risk management

A dilemma that particularly applies to public sector governance is how to ensure that the public sector is not taking inappropriate risks while at the same time encouraging necessary and desirable innovation, measured risk taking and a focus on outcomes. A very public and adversarial approach to public sector accountability means the political penalties for a government 'getting it wrong' can be substantial. This may lead to a culture of risk avoidance being fostered, supported by checking and control processes that tend to result in:

- activities or projects not being undertaken at all or in an inefficient manner

- loss of capable people from the public sector due to frustration and diminished satisfaction.

Balancing 'performance' and 'conformance' roles

In this environment, governance arrangements will tend to focus on ensuring public sector compliance with policies, operating requirements and targets (ie a conformance approach) instead of going beyond this to include a system for enhancing public sector performance and achievement of results (ie a performance approach). While a conformance model of governance focuses on checking and control processes, a performance model focuses more on outcomes, developing competencies, and building relationships.[6]

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[5] Coleman, M. (unpublished), *Governance and Accountability*. A discussion paper prepared for the Task Force on the Review of Public Sector Processes, 2002.
[6] Australian Centre for Organisational Governance, 2002.

3.2.2   Best Practice Governance

There is no simple and generally applicable solution to these and other dilemmas inherent in governance. Instead, it is more a matter of how best to manage these issues. Nevertheless, there are several key themes underlying 'good practice' corporate governance from boards of incorporated entities, which despite the important differences between the public and private sectors, can also be applied in the state government context. These are the need to have:

- clearly defined objectives and 'organisational success' measures, and mechanisms to maintain clarity when circumstances change. For example, improving the responsiveness of the public sector, as one objective, would require a clear and agreed definition of what 'good responsiveness' is and how it could be measured in a meaningful way

- clearly defined roles, relationships, accountabilities and operating policies among the key participants in the governance arrangements (ie Cabinet, individual Ministers, Chief Executives, Senior Management Council etc)

- mechanisms to establish and review organisational strategies, policies and monitoring techniques that reflect the circumstances of the organisation and engage the governing body (in this case, the Government) in a value added manner

- assessment and feedback mechanisms on governance practices, processes and structures to identify and address both weaknesses and opportunities for improvement.[7]

Given the complex circumstances in the public sector, governments need to be very diligent and complete in these four areas.

In addition to these key areas, the Task Force believes a performance approach to governance, with a focus on outcomes, competencies, and building relationships, would provide robust governance arrangements. The Task Force further believes the manner in which all these key elements of governance are brought together and articulated is also important. There are various frameworks that can be developed for governance; a robust governance framework for the public sector will be one that brings the elements together in a meaningful way for the participants and is clearly articulated and understood by all.

3.3   Issues with the Current Governance Arrangements

The Task Force received a number of oral and written submissions that raised concerns about governance within the South Australian public sector. In particular, there was a view that the Government's strategic priorities and agreed outcomes were not always clearly defined and communicated to the public sector and the community. Similarly, it was held that not all of the other key elements of a governance system (eg roles and relationships, delegations and accountabilities, performance measures and governance review mechanisms) had been clearly defined. This was believed to have had a number of consequences including:

- confusion about what public sector employees can and cannot do

- lack of understanding of the roles of different bodies including Cabinet

- a perceived lack of authority and empowerment at appropriate levels.

Comment was also made that an overall framework, which brought together the different elements in a meaningful way, had not been clearly defined and articulated. Among other things, this made it more difficult to make sense of the myriad of projects, initiatives, policies,

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[7] Coleman, M. (unpublished), *Governance and Accountability*. A discussion paper prepared for the Task Force on the Review of Public Sector Processes, 2002.

processes and other requirements, which managers have to accommodate in carrying out their duties within government.

A view was presented to the Task Force that the 'confused' governance arrangements, particularly following the failure of the State Bank, had allowed a risk averse culture to develop in the public sector, resulting in indecision, second-guessing, and extremes of excessive caution and periodic disregard for due process. Comment was made that until these issues are addressed through the development of a new model of public sector governance, any solution will be partial and temporary. Several submissions described alternative governance models, with one submission advocating a performance focused governance system (as opposed to a process based governance system).

3.3.1   Moving Forward

After carefully considering the evidence put to it and the findings of its own commissioned research, the Task Force believes the current governance arrangements are inadequate. They do not provide sufficient clarity and guidance to the public sector so that it can achieve what the Government expects of it in a manner acceptable to the Government and ultimately to the community. The Task Force believes there are significant gaps in the current governance framework, which as a result, is fostering a risk averse, process-based culture rather than supporting innovation, risk management, accountability, and a focus on outcomes and performance.

To this end, the Task Force recommends governance issues should be dealt with as a matter of priority through a review of existing statements on governance and the development of a new governance framework.

3.3.2   Recommendations

The Task Force recommends that:

104   The Department of the Premier and Cabinet review existing documented statements on the roles, accountabilities and relationships (including delegations) between the key participants of governance arrangements (namely Cabinet, Cabinet Committees, individual Ministers, Senior Management Council, portfolio/departmental Chief Executives) to identify and address any gaps, overlaps and lack of clarity.

104   The Department of the Premier and Cabinet coordinate the development of a governance framework for consideration by the Government, which brings the key elements of governance together in a meaningful way, including:

- the Government's vision and key objectives

- policies on the definition and management of public sector performance (including key values, expected behaviours and priority success indicators with a focus on achieving outcomes, developing competencies, and building relationships)

- roles, accountabilities, relationships and operating policies between all key participants in the governance arrangements

- mechanisms to establish and review strategies, policies and monitoring techniques

- mechanisms to regularly review governance and accountability practices, processes and structures.

104   The Department of the Premier and Cabinet, in conjunction with the Commissioner for Public Employment, develop and implement a program to raise awareness and understanding in the public sector of the governance arrangements and the role and functions of Parliament.

Chapter 4   Priority Setting

4.1   Forward Thinking and Planning

4.1.1   Aim

To adopt a coordinated whole of government strategic planning framework, with clearly articulated vision, priorities and outcomes to drive planning and budget bids.

To use a collaborative process for developing the vision, priorities and outcomes, and assessing progress.

4.1.2   Current Environment

Strategic planning has been used across the public sector in a number of forms over many years. However, evidence has been provided to the Task Force which shows that some major strategic planning activities have been limited in their effectiveness as a result of:

- insufficient coordination between the whole of government vision and priorities, and departmental plans and budget bids

- a tendency to finalise whole of government strategies after the budget has been allocated

- unclear articulation of priorities and desired outcomes

- focus on reflection on current progress rather than providing a means for which future progress may be measured

- a lack of clarity in long term objectives.

4.1.3   Vision and Direction

The Task Force believes it is important for the Government to provide a clear vision and direction to the public sector and the community. The Task Force believes this would be greatly assisted by Ministers, in collaboration with the public sector and the wider community, taking collective responsibility for bringing Government direction together and driving departmental planning.

The Task Force acknowledges the difficulties of developing and applying a robust whole of government strategic planning framework. However, these difficulties must be addressed. Such a framework is essential to achieve good governance and focused outcomes in an environment of competing priorities for scarce resources.

4.1.4   Suggested Framework

There are a number of models for strategic planning; however, the Task Force suggests the model in **Figure 1** as useful for developing a framework for the South Australian public sector. The key elements of this suggested framework are:

- a clearly articulated vision

- priorities/key result areas

- outcomes

- performance measures.

Figure 1:   A Whole of Government Strategic Planning Framework

Vision:	The desired future state
Priorities:	Key/Strategic Result Areas – where Govt will focus attention
Outcomes:	The desired result of action in the priority areas
	It is envisaged that whole of government and departmental outcomes are a result of a collective government vision. When pursuing outcomes, the appropriate mode/s of delivery will be affected by the structures of government, resulting n an outcome being a departmental outcome or a whole of government outcome.
Strategies:	Departmental (eg Transport) and whole of government (eg The Drugs Strategy) – How the desired outcomes are to be achieved
Outputs:	The services and programs which will deliver the outcomes
Performance Measurement:	Indicators and Targets
Input by: Community/Stakeholders Government Agencies and Advisory Boards	Coordinates opportunities for community and stakeholder input into vision, priorities and how progress/performance is measured
	Opportunities for government agencies and government advisory boards (eg Economic Development Board) to influence vision and priorities.
Customers:	Those who access government services and programs

Strategic planning should begin at the highest level with the collective development of a whole of government vision. This vision allows for priority areas to be identified and articulated in terms of outcomes. It is envisaged that Ministers and departments would contribute to the establishment of priorities, at both a whole of government and departmental level. Outcomes and outputs, flowing from the vision and priorities, would be used to develop performance measures.

Key indicators and targets should also be built into whole of government strategies to allow progress to be measured openly and transparently. It is also important to regularly review outcomes, plans and programs, and to take remedial action where necessary (see section 5.2).

Collaboration

The Task Force believes collaborative development of vision and strategic priorities helps to create shared ownership, assists in the identification of 'champions' for particular outcomes and provides a clear articulation of the interdependencies between government departments. This would involve collaboration between the Government, the public sector, advisory bodies and the wider community.

In the past, departments have been asked for input into whole of government plans; however, a more inclusive process will assist in gaining departmental commitment for whole of government outcomes and in breaking down barriers between departments. The planning process itself brings together people from a range of areas to discuss priorities and objectives and helps to build a collaborative culture, networks and a broader understanding.

Community input

The Task Force considers interaction with the community, particularly through consultation and engagement mechanisms, could also provide opportunities for community input into the development of plans. These mechanisms have tended to be used in an ad-hoc fashion at a departmental level, and as a result community input into strategic planning has often been fragmented. Coordinated whole of government consultation and engagement mechanisms can be used to feed into whole of government plans at the highest level, improving the development of whole of government policies and programs and their responsiveness to the needs of the community (see section 7.1).

Advisory bodies

The Government recently established a number of high level advisory boards, including the Social Inclusion Board, the Economic Development Board and the Science and Research Council. The Government will also receive ideas, new approaches and sensitivities through the 'Thinkers in Residence' initiative. Creation of these bodies makes it imperative that there is a robust mechanism for assessing the Government's priorities and balancing any new and/or competing proposals.

Planning sequence

The Task Force believes whole of government strategic planning needs to take place prior to the formulation of department strategic plans and the budget processes. Departments would take responsibility for ensuring their strategic planning considers the relationships between departments as well as individual departmental responsibilities.

Budget processes should be led by the whole of government vision and the stated priorities of Government. While consideration must be given to any budget constraints to ensure a sustainable financial position for the State, the Task Force believes strategic planning should drive budget processes and priorities.

The Task Force considers such a process could be implemented within the next one or two budget cycles.

Social, environmental and economic factors

The Task Force believes a disciplined application of triple bottom line principles will also assist in achieving whole of government coordination by identifying the wider impacts of proposals on different areas of responsibilities. The use of a triple bottom line approach ensures that environmental, social and economic imperatives are considered in scoping, planning and decision making to ensure the ramifications of proposals are better understood. Triple bottom line planning should be incorporated at whole of government and departmental levels.

Risk management

The Task Force believes appropriate management of risks must also be built into planning activities. There has been a widespread tendency to avoid risks instead of identifying and managing risks. To ensure the Government's priorities can be achieved, mechanisms for dealing with risks openly and effectively should be built into planning activities (see section 6.1).

Department of the Premier and Cabinet

The Task Force envisages that the whole of government strategic planning framework outlined in this Chapter would be developed by the Department of the Premier and Cabinet. This department would also ensure coordination between Government priorities and outcomes, and whole of government and department strategic plans (see section 9.2). It is anticipated this would be achieved through a facilitative process.

4.1.5   Recommendation

104   The Task Force recommends that the Department of the Premier and Cabinet develop a whole of government strategic planning framework and process, which ensures that:

- the Government's vision, priorities, outcomes and performance measures are clearly defined

- the Government's vision, priorities and performance measures are developed collaboratively by providing opportunities for involving the community, departments and advisory boards

- the Government's vision, priorities and outcomes are clearly communicated to the public sector and the community

- the Government's vision, priorities and outcomes drive development of departmental planning and budget bids

- there is a disciplined application of triple bottom line principles

- there is robust consideration and management of risks.

4.2   Budget Process

4.2.1   Aim

To ensure budget bids are clearly linked to, and driven by, Government strategic priorities and outcomes.

To ensure budget processes encourage departmental collaboration to achieve integrated programs and whole of government outcomes.

4.2.2   Current Environment

Budgets are currently allocated by Cabinet following a bilateral process involving the Treasurer, individual Ministers and their departmental officers. The Task Force was informed this process leaves little opportunity for Ministers and departments to realise synergies in programs across government and to work together. The Task Force was further informed this process creates competition between departments when effort could be better expended on integrating programs and coordinating policy.

4.2.3   Moving Forward

The Task Force considers multilateral budget processes (involving a number of Ministers and departments in the same forum) promote cooperation and collaboration and would assist the achievement of whole of government outcomes.

Multilateral approach

The newly created Expenditure Review and Budget Committee comprises a number of Ministers and is chaired by the Treasurer. The Task Force believes this Cabinet Committee is the most appropriate forum to consider budget bids (both individual departmental bids and joint departmental bids) from a multilateral, whole of government perspective, and to realise synergies and overlaps in the bids presented to it. The Expenditure Review and Budget Committee would also be able to evaluate recurrent spending within individual portfolio and departments, where it does not have a cross government impact.

This multilateral approach to budget allocations has the potential to break down 'patch protection' and lead to effective whole of government consideration of budgets based upon pursuing the Government's priorities, focusing on the 'big ticket' items and pursuing efficiency savings in overheads.

The Task Force therefore supports a move away, as soon as practicable, from an individual Minister arguing bids with the Treasurer alone (ie bilateral process) to a multilateral process in which individual Ministers or a number of Ministers resolve bids with the Expenditure Review and Budget Committee.

Cross government allocations

To support the deliberations of the Expenditure Review and Budget Committee, the Task Force suggests departments further work together to develop joint submissions that demonstrate commitment to whole of government priorities. This approach will focus the efforts of the Government and departments on the priority items impacting across government. It will also provide a means of acknowledging and reporting cross government spending in the Budget Papers. It is noted that the appropriation is to the responsible Minister and linked to the lead agency.

Budget headroom

Traditionally, Cabinet has met quarterly to discuss and allocate funds outside of the normal budget process. The Task Force believes these quarterly budget 'headroom' meetings can undermine a disciplined approach to allocating the budget to agreed priorities. The Task Force acknowledges the need for contingency funds to be appropriated in the budget to deal with urgent and unforseen circumstances (eg bushfires). However, the Task Force believes proper fiscal responsibility requires that funding decisions are not made outside of the annual budget process, unless the Premier and the Treasurer agree that a particular submission is of such importance to the community that it should be brought forward and actioned.

4.2.4   Recommendations

The Task Force recommends that:

104   Departments ensure their budget bids are clearly linked with, and driven by, whole of government strategic priorities and specified outcomes.

104   Budget allocations be assessed by the Expenditure Review and Budget Committee at a cross government level and at departmental level.

104   Budget allocations at the cross government level be directed to those initiatives demonstrating commitment to whole of government priorities and developed through joint departmental submissions to the Expenditure Review and Budget Committee.

104   Budget Papers distinguish between cross government allocations and individual departmental allocations.

104   Budget headroom meetings be abolished, with no funding approvals outside the annual budget process unless the Premier and the Treasurer agree on an exceptions basis.

4.3   Capital Investment Program

4.3.1   Aim

To further refine the capital investment budget process so that it provides for robust priority setting:

- between different classes of assets
- between the development of new assets, maintenance/upgrading of existing assets and disposal of surplus assets.

To ensure appropriate monitoring and reporting on the financial performance of the capital investment program.

To ensure a high level commitment to medium and long term planning for capital investment involving a multi-lateral and total lifecycle approach to determining priorities.

4.3.2   Capital Investment Committee

To complement the deliberations of the Expenditure Review and Budget Committee on operating expenditure and revenue, the Task Force believes a separate Cabinet Committee should be established to have a specific focus on capital investment (eg buildings, infrastructure, information technology).

Role

The Task Force therefore suggests the establishment of a Capital Investment Committee to undertake the following roles:

- determine the three year capital investment program as part of the budget process

- undertake medium to long term planning for capital investment

- oversee major and other large capital investment projects (see section 6.3)

- consider financing proposals for capital investment, including public-private partnerships, within the agreed appropriation of any given budget

- consider major industry incentive or assistance schemes where they involve capital investment

- consider the potential role of the Commonwealth Government in any major capital investment.[8]

Membership and participation

In view of these proposed roles, the Task Force believes the Capital Investment Committee should involve the following Ministers:

- the Premier and Minister for Economic Development (Chair)

- Treasurer and Minister for Industry, Investment and Trade

- Minister for Transport (as the Minister responsible for a major infrastructure department)

- Minister for Employment, Training and Further Education (because of the close nexus between capital investment and job creation)

- Minister for Urban Development and Planning and Minister for Administrative Services.

To ensure adequate support for the Committee, the Task Force also advocates:

- participation of relevant senior public sector employees in the deliberations of the Committee, to the extent that is appropriate to help ensure that all necessary expertise and experience is brought to bear on issues

- policy and administrative support from an inter-agency secretariat located in the Department of the Premier and Cabinet and comprising officers from the Department of the Premier and Cabinet, Department of Treasury and Finance, Department for Administrative and Information Services, and other relevant agencies.

4.3.3   Multilateral and Total Lifecycle Approach

The current bilateral budget process enables Cabinet to reflect on the relative capital investment priorities within a portfolio. However, it does little to assist Cabinet in determining the requirements of, and priorities between, different classes of assets in different portfolios, such as hospitals, schools, sporting stadiums and correctional facilities. Therefore, in addition to understanding specific departmental requirements, a multi-lateral, cross departmental analysis of capital investment priorities by the Capital Investment Committee is warranted to ensure rigorous whole of government outcomes.

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[8] The Task Force notes the recent establishment of the Major Projects and Infrastructure Committee of Cabinet. The Committee proposed by the Task Force builds on the functions of the Major Projects and Infrastructure Committee (eg long term capital investment planning).

The Task Force was informed there has been a tendency for the capital budget process to focus on proposals for new capital works at the expense of proposals for maintaining existing assets.

Moving forward

The Task Force believes a sound capital investment program needs to be based on a holistic, total lifecycle approach that appropriately considers all key elements, namely:

- development of new assets

- maintenance of existing assets (ie not just routine maintenance, but also upgrading of the asset beyond its original economic life)

- disposal of surplus assets (eg vehicles, buildings, land).

Such an approach would ensure that proposals for new capital works are not viewed in isolation from the other two elements. It would also help to ensure that existing assets are not allowed to run down to a point where restoration becomes a problematic and expensive issue for the State. The Task Force believes this approach should underpin the deliberations of the Capital Investment Committee as well as the management of assets by departments. To assist the Capital Investment Committee in this, each capital investment proposal should be accompanied by an appropriate justification of need and associated business case that reflect this approach.

4.3.4   Monitoring and Reporting

The deliberations of the Capital Investment Committee and ultimately Cabinet would be further enhanced by an effective system of monitoring and reporting on the financial performance of the capital investment program.   Given the almost inevitable changes affecting the timelines of many projects, a regular and consistent level of reporting on the progress of capital projects between annual budget discussions would enable the Capital Investment Committee to:

- monitor the progress of expenditure throughout the year

- make any necessary adjustments to the program within the parameters of the capital investment budget (ie accelerate certain existing projects or bring forward projects within the approved three year capital investment plan).

Current environment

Since October 2000, the Department of Treasury and Finance requires reports twice a year (February and October) from departments on the details of individual capital investment projects endorsed by Cabinet and departmental programs on asset maintenance. While the timeliness of these reports has steadily improved, the Task Force was informed the accuracy and completeness of some of the information provided may be questioned, particularly with respect to a realistic assessment of actual expenditure meeting predicted expenditure at key milestones.

Moving forward

To address these issues, the Task Force suggests departments should report every three months on progress in capital investment to the Capital Investment Committee's interagency secretariat in the Department of the Premier and Cabinet.   The secretariat would in turn provide regular consolidated reports on financial and physical progress on capital investment to the Cabinet Committee.

4.3.5   Medium to Long Term Capital Investment Planning

In 2001, the Government introduced a three year rolling capital investment program. While some departments may take some time to get their planning to a stage where a three or even a five year rolling plan operates effectively, the Task Force believes this change is a significant improvement on the previous annual capital investment program.

However, notwithstanding the improvements made by a three-year rolling capital investment program, the Task Force believes there should be a high level commitment to longer term capital investment planning beyond the next three to five years. This longer term planning should also take a holistic, total lifecycle approach in prioritising capital investments by taking into account the need to maintain or dispose of existing assets as well as the need to develop new assets.

Community involvement in this longer term planning is also essential to assist both the identification of needs and priorities and the development of an understanding of what is achievable within realistic timeframes.

The Task Force believes the Capital Investment Committee should undertake this important task, and as such would be the appropriate high level forum to focus on medium to long term planning for capital investment.

4.3.6   Financing Proposals for Capital Investment

Evaluating proposals

Another role the Task Force believes should logically be undertaken by the Capital Investment Committee is the evaluation of financing proposals for capital investment, including public-private partnerships and the Government's involvement in them. The Task Force is of the opinion that, given the limited Government funds available for the capital investment program, appropriate public-private partnerships may be required to enable necessary infrastructure, building development and other capital investment projects to proceed in a timely manner.

The Capital Investment Committee is the appropriate high level forum to consider the feasibility of both the projects and any associated funding proposals, including the basic threshold question of whether Government funds should be allocated to the proposed initiatives.

Review of frameworks

Concerns have been raised with the Task Force that the current probity framework and approval processes do not facilitate expeditious consideration of these funding proposals. The Task Force therefore suggests the Department of Treasury and Finance coordinates a review of approval processes relevant to public private partnerships, with input from all relevant departments, and that the Capital Investment Committee consider the review's findings.

Similarly, the Task Force believes the Department of Treasury and Finance should evaluate each proposal for financing capital investment within Cabinet's agreed criteria with input from all relevant agencies and provide advice on the evaluation to the Capital Investment Committee.

4.3.7   Economic Development Proposals

The Task Force understands the Economic Development Board, among other things, will identify possible opportunities for economic development within South Australia. The Task Force believes a cooperative relationship should be developed between the Board and the

Capital Investment Committee. This would allow recommendations on priorities to be made within the context of the overall capital investment program.

Industry Investment Attraction Fund

Accordingly, the Task Force believes the Capital Investment Committee should have whole of government oversight of the Industry Investment Attraction Fund and consider any major industry incentive or assistance schemes where they involve capital investment.

Public trading enterprises

Similarly, the Task Force believes the Capital Investment Committee should provide high level, whole of government oversight of capital investment proposals by public trading enterprises such as SA Water and the Land Management Corporation where these proposals may impact upon the Government's capital investment program.

4.3.8   Recommendations

The Task Force recommends that:

104   A Capital Investment Committee of Cabinet be established to:

- determine the three year capital investment program as part of the budget process
- undertake medium to long term planning for capital investment
- oversee major and other large capital investment projects
- consider financing proposals for capital investment, including public private partnerships, within the agreed appropriation of any given budget
- consider major industry incentive or assistance schemes where they involve capital investment
- consider the potential role of the Commonwealth Government in any major capital investment.

104   The Capital Investment Committee involve :

- the Premier and Minister for Economic Development (Chair)
- Treasurer and Minister for Industry, Investment and Trade
- Minister for Transport
- Minister for Employment, Training and Further Education
- Minister for Urban Development and Planning and Minister for Administrative Services.

104   The Capital Investment Committee be provided with adequate support through:

- the participation of relevant senior public sector employees in the deliberations of the Committee to the extent that is appropriate to help ensure that all necessary expertise and experience is brought to bear on issues
- an inter-agency secretariat located in the Department of the Premier and Cabinet and comprising officers from the Department of the Premier and Cabinet, Department of Treasury and Finance, Department for Administrative and Information Services, and other relevant agencies.

104   Capital investment priorities be based on:

- a multi-lateral, cross government analysis of capital investment proposals, in addition to an examination of specific departmental requirements, to help determine the needs of, and priorities between, different classes of assets in different portfolios

- a holistic, total lifecycle approach that encompasses appropriate consideration of all key elements of a capital investment program, namely the development of new assets, maintenance of existing assets, and the disposal of surplus assets.

104   Departments report quarterly on progress in capital investment to the Capital Investment Committee's secretariat located in the Department of the Premier and Cabinet.

104   The Capital Investment Committee develop and maintain a long term capital investment plan.

104   The Department of Treasury and Finance coordinate a review of relevant approval processes for public private partnerships with input from all relevant departments, and that the Capital Investment Committee consider the review's findings.

Chapter 5   Government Working Together

5.1   Processes Supporting Cabinet

5.1.1   Aim

To ensure effective and efficient Cabinet processes for robust and timely outcomes.

5.1.2   Introduction

Cabinet is responsible for the overall development and coordination of the policies of the Government. Its importance is based on two conventions: all Ministers are bound to support the collective decisions of Cabinet and the discussions in Cabinet are confidential. Cabinet currently comprises all 13 Ministers, including the Premier.

Given Cabinet's importance, the processes supporting its deliberations should be of the highest efficiency and effectiveness.

5.1.3   Consultation

Evidence presented to the Task Force frequently highlighted a concern that consultation of relevant stakeholders during the development of proposals and cabinet submissions was frequently inadequate. Early and genuine consultation is fundamental to ensuring high quality and timely advice to Cabinet. This essential requirement is too often not met for a number of reasons including:

- pressure caused by unrealistic or shortened timeframes for a proposal, which compress key decision-making points

- a fundamental lack of understanding of the importance of the role of Cabinet and the value of good consultation to achieving robust and timely outcomes.

Consultation may be inadequate because:

- not all relevant parties are involved

- it is superficial

- issues raised by those consulted are inadequately addressed

- relevant parties are consulted too late in the process.

Once a cabinet submission is signed in by the relevant Minister and then scheduled for consideration by Cabinet, it is essentially too late to overcome any significant deficiencies in the consultation process. Consultation comments collated during the 10-day rule cannot be expected to address any major unresolved issues.

5.1.4   Quality of Cabinet Submissions

In addition to inadequate consultation, the Task Force was presented with evidence that the quality of many submissions to Cabinet was deficient in other respects. These include inadequate information and assessment of risks so that Cabinet is not fully informed of all key issues, feasible options and the implications of the proposal proceeding or not proceeding. The Task Force was informed that cabinet submissions may provide only superficial analysis of the proposal's social and environmental impacts, undermining a holistic assessment of the proposal in line with a triple bottom line approach.

Implementation plans

In addition, the Task Force was informed cabinet submissions often do not contain a clear implementation plan to ensure that both the Government and agencies have a common understanding of what is expected in the proposal's implementation. Key features of such an implementation plan include:

- financial implications (eg the funds required each year by the project and how approval of the proposal will affect the forward estimates)

- timing of milestones/key points of project implementation

- appropriate mechanisms for review at these milestones and feedback to Cabinet and/or other relevant bodies.

Treasury sign off

The Task Force believes the department/agency responsible for the proposal should get sign-off from the Department of Treasury and Finance on the proposal's funding implications prior to the completion and signing in of the cabinet submission. In doing so, it is not intended the Department of Treasury and Finance would need to support the proposal as such, but rather agree that the assumptions underpinning the cost estimates appear to be robust and reasonable.

Cabinet Handbook

The requirements set out in the Cabinet Handbook are designed to avoid the problems of inadequate consultation and otherwise poor quality submissions. The Task Force noted that the Cabinet Handbook has not been formally revised since 1997. The Task Force therefore considers the Department of the Premier and Cabinet should update the Handbook, consistent with the Task Force's conclusions and recommendations, as a matter of priority.

The Task Force also considers the Department of the Premier and Cabinet should develop and implement an effective program of training and information dissemination on the Handbook. This department currently undertakes training in agencies on Cabinet processes and requirements as time and resources permit. However, the Task Force believes this needs to be given greater priority and resources, particularly in the six to twelve months following the release of the updated Handbook, to maximise the understanding and adoption of the required procedures.

In addition, the use of appropriate technology and a system of contact officers in all agencies after the revised Handbook is released could aid ongoing information dissemination and updates.

Accountability of Ministers and Chief Executives

It is ultimately the responsibility of the relevant Minister and Chief Executive to ensure that:

- effective consultation has taken place and issues resolved as far as possible before a proposal is submitted to Cabinet for consideration

- cabinet submissions are of a high standard.

Given the apparent inadequacy of many submissions in these respects, it appears to the Task Force that these accountabilities are not being enforced. To enforce these accountabilities, the Task Force believes Cabinet Office should be given the authority of the Premier to refer back to the relevant Minister any signed cabinet submissions not meeting appropriate standards with respect to consultation and adequacy of information (including risk assessment). However, for the process to work most efficiently, the Task Force believes:

- departments/agencies should involve Cabinet Office and other relevant stakeholders early on, and regularly thereafter, in a proposal's (and submission's) development

- Cabinet Office should facilitate appropriate outcomes by providing constructive advice throughout the proposal's development to avoid blocks at the end of the process.

The onus is therefore on both the relevant department/agency and Cabinet Office to make the process work effectively and efficiently.

5.1.5   Cabinet Agenda and Meetings

10-day rule and Cabinet agenda

Evidence presented to the Task Force frequently highlighted a concern that agreed Cabinet procedures, in particular the 10-day rule, were often not enforced, and discipline not instilled through a closely controlled Cabinet agenda. The Task Force was informed that as a result, Cabinet considered a large volume of submissions, including many late submissions. The Task Force was further advised this has placed increasing pressure on Cabinet, which as a result, may not always have had sufficient time to focus on issues of highest importance. In addition to poor consultation, comment to the Task Force indicated that the quality of departmental/agency advice on submissions has been adversely affected by frequent late submissions.

Moving forward

The Task Force strongly considers all parties should strictly adhere to the 10-day rule and that it be vigorously enforced by Cabinet Office with the authority of the Premier. Late submissions should only be accepted in exceptional circumstances and only the Premier should have the authority to allow late submissions to be considered by Cabinet. The Task Force also believes the final agenda for each Cabinet meeting should be determined by the Premier, with the advice of the Chief Executive, Department of the Premier and Cabinet.

Cabinet notes

The Task Force considers achieving a closely controlled agenda, which focuses on key issues, will also require a tightening of the use of cabinet notes. The Task Force was advised that cabinet notes are intended to bring matters to Cabinet simply for noting or for information. They are also intended to provide preliminary advice on proposed appointments to boards and committees.

However, the Task Force was informed many cabinet notes have addressed issues more appropriately dealt with in full cabinet submissions.

Moving forward

To overcome these issues, the Task Force believes Cabinet Office should be given the authority of the Premier to refer back to the relevant Minister any signed cabinet note addressing issues more appropriately dealt with as a cabinet submission. Avoiding any unnecessary delays with cabinet notes will require the relevant agency and Cabinet Office to work together from the outset.

Executive Council meetings

The Task Force was advised that in addition to the usual Cabinet meeting each week, all Cabinet Ministers, by convention, attend the weekly Executive Council meeting, which may also be preceded or followed by a second Cabinet meeting for that week. The Task Force acknowledges the long tradition of this practice. However, the Task Force highlights both the

need for the most efficient use of high level resources and the risks associated with the practice of holding a second Cabinet meeting at short notice before or after the Executive Council meeting. In particular, there is a risk of quickly prepared or walked in cabinet submissions not containing all of the relevant information or not involving adequate consultation of relevant parties.

The Task Force understands that only the Governor and two other Executive Council members attend Executive Council meetings at the Commonwealth level and in most other states. The Task Force suggests a similar practice should be adopted in South Australia such that in addition to the Governor, only two Ministers, determined on a roster basis if necessary, attend the weekly Executive Council meeting.

5.1.6   Public Announcements

The convention of collective responsibility of Ministers for government decisions is central to the Cabinet system. It provides that in their capacity as a Minister, individual Ministers act jointly with, and on behalf of, their Cabinet colleagues. Cabinet decisions therefore reflect collective conclusions and are binding on all Ministers as Government policy.

Any public comment by Ministers must reflect the collective decisions of Cabinet and the Government.

Timing

Similarly, public announcements by Minister(s) should not pre-empt the deliberations of Cabinet on a particular issue. Comment to the Task Force indicated this latter aspect of the convention has not always been observed, particularly with respect to public announcements on major projects and policy initiatives. The Task Force was advised that in some instances, public announcements have included reference to the specific cost and timing of projects prior to the completion of adequate project planning. This can undermine adequate upfront planning, lead to unrealistic expectations in the community and hamper negotiations with the private sector.

Moving forward

The Task Force therefore considers public announcements on major projects and other matters should not be made prior to:

- the completion of adequate upfront planning and analysis
- any required consideration by Cabinet and its endorsement of the timing and form of the announcement.

5.1.7   Feedback on Decisions and Follow-up Action

Concise formal record

Several written and oral submissions to the Task Force questioned the adequacy of feedback on Cabinet decisions. No formal minutes of Cabinet meetings are produced. Instead Cabinet records decisions by:

- approving the recommendations as they stand
- approving the recommendations with some alterations, which are noted on the submission
- referring the decision back to the Minister for a range of actions
- rejecting the submission

- deferring a decision on the submission until a later date.

Cabinet decisions are recorded by the Cabinet Secretariat, which also prepares a separate document containing the recommendations from the cabinet submissions as amended and approved by Cabinet. A copy of Cabinet decisions is provided to each Cabinet Minister. It is up to the discretion of the Ministers as to whether their respective departmental Chief Executives get a copy or are advised verbally of the outcomes of each Cabinet meeting. A copy of the outcomes of portfolio specific cabinet submissions is also available for collection from the Cabinet Secretariat the day after each Cabinet meeting.

Without breaching the strict confidentiality that must accompany Cabinet deliberations, the Task Force believes that in the interests of Cabinet decisions being translated into outcomes in a more timely and appropriate manner:

- a concise and formal record should be prepared of Cabinet decisions in sufficient detail to allow the public sector to put into effect Cabinet's decisions

- a copy of the formal record should be provided directly to all departmental Chief Executives as well as Cabinet Ministers.

Monitoring implementation

The Task Force was informed there is currently no mechanism for monitoring the implementation of Cabinet decisions. The Task Force believes the inclusion of a concise implementation plan in each Cabinet submission would help to ensure that both the Government and relevant agencies have a common understanding of what is expected in the proposal's implementation.

Monitoring of the key milestones outlined in this plan for review and feedback would also help to ensure that Cabinet is advised of progress if and when appropriate.

5.1.8   Cabinet Committees

The Task Force has been advised the Government has already given some consideration to the structure and operation of Cabinet Committees. Notwithstanding this, the Task Force would like to present its views on issues concerning Cabinet Committees, which were raised during the Review.

Current environment

In the past, a number of standing and issue-based Cabinet Committees have been established to provide a focus for high level deliberations on key issues prior to their consideration by Cabinet. Several comments to the Task Force indicated that overall, the Cabinet Committee system has not been sufficiently robust to adequately support Cabinet. The Task Force was informed that while some Cabinet Committees have worked well, others have not. As a case in point, the Task Force is aware of the Auditor-General's criticisms of the Cabinet Committee established for the Hindmarsh Soccer Stadium.

The Task Force was also advised that interaction between Ministers and senior public sector employees in some Cabinet Committees has not always been adequate to ensure that all the necessary expertise and experience is brought to bear on issues prior to their consideration by Cabinet.

Moving forward

The Task Force believes effective and efficient Cabinet Committees can provide important support to Cabinet, particularly on complex issues requiring whole of government consideration. The role and value of Cabinet Committees in the British Government have been summarised as follows:

> Cabinet Committees relieve the pressure on Cabinet itself by settling business in a smaller forum or at a lower level, when possible, or at least by clarifying issues and defining points of disagreement. Committees enable decisions to be fully considered by those Ministers most closely concerned in a way that ensures that Government as a whole can be expected to accept responsibility for them. They act by implied devolution of authority from the Cabinet and their decisions therefore have the same formal status as decisions by the full Cabinet.[9]

Delegated authority

Cabinet Committees in South Australia have been used to 'clarify issues and define points of disagreement' prior to their consideration by full Cabinet. In addition to this role, the Task Force believes the provision of delegated authority to Cabinet Committees, within clearly defined parameters, would help to relieve some of the pressure on Cabinet. The Task Force therefore believes clear terms of reference and modus operandi should be provided for each Cabinet Committee, including a clear description of any decision-making powers delegated by the Premier.

Involvement of senior public sector employees

Many of the requirements underpinning an effective Cabinet process also apply to the proper functioning of Cabinet Committees (ie effective consultation, high quality written submissions, tight agenda focusing on priority issues and adequate record keeping and communication of decisions). In addition, the Task Force believes the deliberations of Cabinet Committees would be strengthened by the further involvement of relevant senior public sector employees to the extent that is appropriate to help ensure all the necessary expertise and experience is brought to bear on issues prior to their consideration by Cabinet.

Interdepartmental secretariat

The Task Force also believes each Cabinet Committee should be supported by an adequately resourced secretariat located in the Department of the Premier and Cabinet, but which also includes resources from other relevant departments. The Task Force believes each secretariat should not only undertake the necessary administrative functions but also provide a whole of government forum for policy advice at officer level. To best fulfil this latter role, the Task Force believes there is merit in the secretariat comprising appropriate officers from relevant departments.

At present, Cabinet Committees are served by central agency officers. However, the secondment or other involvement of appropriate policy officers from line agencies to complement central agency officers would help ensure the Cabinet Committee is provided with all of the necessary expertise from across government. It would also provide valuable cross government interaction and development opportunities for line agency officers in high level, whole of government policy work.

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[9] British Government at
http://www.cabinet-office.gov.uk/cabsec/2000/guide/cabcom%20(page3).htm

5.1.9   Recommendations

The Task Force recommends that:

104   Chief Executives be held accountable for their existing responsibility of ensuring that cabinet submissions meet appropriate standards with respect to consultation and adequacy of information, including an assessment of risks (social and environmental as well as financial and economic).

104   Cabinet Office be given the authority of the Premier to refer back to the relevant Minister any signed cabinet submissions not meeting appropriate standards with respect to consultation and adequacy of information (including risk assessment).

104   Each cabinet submission contain a concise implementation plan for the proposal, the key features of which include:

- financial implications (eg funds required each year by the proposal and how approval of the project will affect the forward estimates)

- timing of milestones/key points of project implementation

- appropriate mechanisms for review at these milestones and feedback to Cabinet and/or other relevant bodies.

104   Prior to the completion and signing in of a cabinet submission, the department/agency responsible for the proposal get sign off from the Department of Treasury and Finance on the proposal's funding implications and impact on the current budget.

104   The 10-day rule for cabinet submissions be strictly enforced by Cabinet Office with the authority of the Premier and that late cabinet submissions only be accepted in exceptional circumstances and only with the authority of the Premier.

104   The final agenda for each Cabinet meeting be determined by the Premier, with the advice of the Chief Executive, Department of the Premier and Cabinet.

104   Cabinet Office be given the authority of the Premier to refer back to the relevant Minister any signed cabinet notes addressing issues more appropriately the subject of cabinet submissions.

104   Cabinet consider the weekly Executive Council meeting be attended by only two Ministers, determined on a roster basis if necessary.

104   Without breaching Cabinet confidentiality, a concise, formal record of Cabinet decisions be prepared in sufficient detail to allow the public sector to put into effect Cabinet's decisions in a timely and effective manner, and that copy of each record be provided directly to all departmental Chief Executives, as well as Cabinet Ministers.

104   In normal circumstances, no public announcements on major projects and other matters be made prior to the completion of adequate upfront planning and analysis and prior to any required consideration by Cabinet and its endorsement of the timing and form of the announcement.

104   Clear terms of reference and consistent modus operandi be provided for each Cabinet Committee, including a clear description of any decision making powers delegated by the Premier.

104   Relevant senior public sector employees participate in the deliberations of Cabinet Committees to the extent that is appropriate to help ensure that all the necessary expertise and experience is brought to bear on issues prior to their consideration by Cabinet.

104   Each Cabinet Committee be supported by an adequately resourced secretariat comprising appropriate officers from both central agencies and other relevant departments.

104   The Cabinet Handbook be formally updated by the Department of the Premier and Cabinet as a matter of urgency.

104   An enhanced program of training of the public sector be provided by the Department of the Premier and Cabinet on the role and importance of Cabinet and on cabinet procedures, with priority given to completing the first round of training within six to twelve months of the release of the revised Cabinet Handbook.

104   Effective mechanisms be developed by the Department of the Premier and Cabinet for regularly disseminating information to agencies on cabinet procedures and other requirements after the revised Cabinet Handbook is released.

5.2   Whole of Government Initiatives

5.2.1   Aim

To facilitate departments working together to achieve whole of government outcomes.

To ensure clear accountability for whole of government initiatives.

To ensure outcome based performance measures (developed with community input) are built into all whole of government programs.

5.2.2   Introduction

A number of the key issues being addressed by the Government (eg drugs, homelessness) cut across Ministerial and departmental responsibilities. These issues may involve all or a number of departments/agencies, and in many cases the community, working together to achieve a whole of government outcome.

In some cases the Government establishes a special coordination unit (eg. Social Inclusion Unit) to coordinate specific whole of government initiatives. Generally, however, most of these initiatives are managed within the present structures.

5.2.3   Designated Ministers and Lead Departments

When a number of Ministers and departments have a significant interest in an issue, an existing practice is to identify a designated Minister and lead department to drive or champion the initiative and ensure overall coordination and accountability for the delivery of outcomes. The Task Force considers that where practical, single point accountability through a designated Minister and lead department is desirable. Through discussion and agreement with all players, a designated Minister and lead department are ultimately responsible for ensuring that the roles and responsibilities of all those involved are clearly defined. This includes clarifying authority and responsibility for specified targets or services.

Notwithstanding the role of the designated Minister and lead department, other Ministers and departments involved are accountable for their respective contributions and for working together as a team. Elements of successful whole of government initiatives are included in **Box 2**.

Designated Ministers and lead departments have been used to drive a number of whole of government programs such as the Murray Darling Basin initiative.

Box 2: Elements of successful whole of government initiatives

The Task Force has identified a number of elements during the course of the review, which may be applied when a major whole of government outcome is sought. A whole of government outcome may involve all, or a number of departments. The elements may assist when developing whole of government programs.

High Level Commitment

A key to pursuing whole of government programs is a high level commitment from Ministers and the public sector and a 'champion' to drive the outcome (eg. the Premier). Strong leadership at all levels is also essential to coordinate and manage for results.

Clear Strategy and Outcomes

The program must be clearly linked to whole of government strategy where the outcome/s are clearly defined, owned and agreed to by all relevant parties. An agreed purpose is essential to ensuring ongoing and cooperative working relationships between different departments. Outcomes should be clearly linked to targets and spending.

Clear Roles and Responsibilities

Role and responsibilities must be clearly defined and communicated, including a designated Minister and a lead department. Roles and responsibilities should be clearly linked to the actions and resources needed to support the outcomes.

Resources (shared budgets)

Budget bids should be coordinated and agreed to by all participating parties. Budgets should be shared and are often best administered by the lead department. Necessary skills must also be considered a key resourcing requirement.

Secretariat Support

Major whole of government programs should be supported by a secretariat (placed in the lead department) to coordinate information flows and proposals, provide impartial advice to participating agencies and ensure the use of shared and consistent information and data. Secretariats should staffed by officers seconded from areas with the appropriate expertise.

Coordinating Mechanisms

There should be coordinating mechanisms (eg. committees) at each level of intersection.

- A Cabinet Committee (if appropriate) should be set up to consider possible issues of contention and to provide links between Cabinet and senior government employees.
- A senior level public sector employees (preferably Chief Executives) group should be established to oversee programs and to allow high level commitment.
- A committee or working group of the 'on the ground' officers should be established with clear links to senior level decision makers in each agency.

Performance Measurement

Whole of government programs must have performance measurement built in to processes from the outset, with opportunity for remedial actions to be taken when performance is deemed unsatisfactory. Programs should be evaluated through targets, indicators and spending links to outcomes with transparent reporting of progress. Measurements should be developed and reviewed collaboratively.

Clear Accountability

Accountability for whole of government initiatives must be clearly defined and enforced. It may be useful for a single point of accountability and a memorandum of understanding, including any delegations of responsibility and authority, to be established.

Recognition

Successful collaborative arrangements and whole of government outcomes should be appropriately recognised (eg. development and promotional opportunities, awards, extra funds etc.)

Moving forward

To strengthen the concept of lead departments, the Task Force believes matrix arrangements should be implemented to give individual Chief Executives responsibility for achieving specific whole of government outcomes (horizontal responsibility), in addition to their responsibility for an administrative unit (vertical responsibility). There are a number of ways to implement such matrix arrangements, including performance agreements, memoranda of understanding, and appropriate amendments to the *Public Sector Management Act 1995*. A combination of these mechanisms is preferable.

5.2.4   Chief Executive Performance Agreements

The Task Force was advised that currently, Chief Executive performance agreements are inconsistently applied and enforced and are often too general to be effective.

Moving forward

The Task Force believes performance agreements could be better used to hold Chief Executives accountable for the achievement of specified outcomes in departmental and cross government areas. It is important that performance agreements also specify responsibility for consulting and collaborating with relevant stakeholders (community, business) and other government departments. As discussed in Chapter 8 the Task Force believes Chief Executive performance agreements should also contain a requirement to undertake succession planning.

Ministerial responsibilities

Effective performance agreements require a Minister's expectations to be clearly articulated to allow a Chief Executive to be held accountable. As a Chief Executive's contract of employment is with the Premier, the Task Force believes the Premier or the Minister (under delegated authority of the Premier) should sign off on the agreement.

The Task Force believes Chief Executive performance agreements should be the outcome of negotiations between the Minister and the Chief Executive, with the Chief Executive, Department of the Premier and Cabinet present during these negotiations and acting as a mediator where necessary.

The Task Force was advised some Ministers may have been reluctant to have performance outcomes formally established. The Task Force believes a more carefully negotiated agreement may overcome any reluctance. The Commissioner for Public Employment should monitor the agreements and act as gatekeeper to ensure the quality, consistency and applicability of agreements.

5.2.5   Memoranda of Understanding

Evidence presented to the Task Force indicated that whole of government initiatives are often hampered by confusion about respective roles and responsibilities, and a lack of accountability protocols for the delivery of outcomes.

Moving forward

To assist in ensuring roles and accountabilities are clear, agreed and adhered to, the Task Force believes the Government should establish a management framework to clarify major whole of government programs. This framework would make departments, which are collaborating on specified projects or programs, individually and jointly responsible for meeting specified targets. These temporary alliances, built around a lead department, would be collaborative (ie networked), not hierarchical.

The Task Force believes this framework would be provided by a simple and flexible memorandum of understanding that clarifies:

- the scope of the program
- lead agency and support agencies
- outcomes, targets and progress measures
- Ministerial and Chief Executive responsibilities
- funding contributions
- timeframes
- external party links (if involved).

5.2.6   Public Sector Management Act 1995

The *Public Sector Management Act 1995* currently defines Minister and Chief Executive responsibilities in terms of only the vertical responsibility for an administrative unit/department. The Task Force believes concise changes could be made to the Act to also reflect accountabilities of Chief Executives in coordinating and delivering whole of government outcomes. These amendments may assist in creating a more collaborative and cooperative administration.

5.2.7   Budget Allocations

The Task Force was advised that budgets pooled from existing resources (eg. operational budgets) do not always appear to provide the necessary incentives for departments to work together.

Moving forward

When a lead department is specified for a whole of government initiative, it may assist if resources are identified and allocated to the lead department for distribution.

Similar to other budget allocations, these allocations will be subject to financial monitoring and reporting. Budgets should remain flexible and provide scope to decide how money should be spent. Any conflict over the distribution of shared budgets could be resolved through the relevant interdepartmental committee and if necessary, the relevant Cabinet Committee.

5.2.8   Project Teams

Whole of government outcomes often require the formation of a project team. Bringing together a broad range of expertise and perspectives, project teams can be effective when specific and complex outcomes are required.

Project teams and working groups generally are a good way of pursuing whole of government solutions and have been used to great effect in South Australia; however, there are a number of ways performance of these teams could be improved.

Moving forward

The Task Force believes the members of project teams and working groups for particularly complex or sensitive projects should be located together and relieved of their day to day responsibilities in their home department for the duration of the project to ensure a focused and independent approach is taken. Cross government projects should include an initial process on building effective teams, not merely the technical aspects of the projects.

Human asset register

The Task Force believes a 'human asset register' should be created to identify those individuals most suitable for cross government projects, and include details of their attributes, skills and knowledge. The Task Force proposes this register be developed and updated regularly by the Office for the Commissioner for Public Employment. The register could also be developed to provide a listing of accredited project managers (see section 6.3) and those most qualified for community interaction activities.

5.2.9   Networks

A number of effective networks are currently operating in the public sector in areas such as human resources and finance. Networks are regarded by the Task Force as an effective way of encouraging innovation, cross fertilisation of ideas and a more collaborative way of developing policy options. The Task Force has been informed there is a lack of formal networks for planners and policy makers and this should be addressed.

5.2.10   Triple Bottom Line

The Task Force has observed that whole of government reporting in South Australia has tended to be largely financial in focus and that departmental reporting has been limited somewhat to core business. Taking a holistic viewpoint and considering the triple bottom line of economic, social and environmental factors is important when pursuing whole of government outcomes as these generally have an effect on all three facets of decision making and implementation.   This can assist in achieving clear accountability for whole of government initiatives and in ensuring the Government is held accountable for economic, social and environmental impacts.

The Task Force was advised that triple bottom line approaches to decision making and reporting have been applied in the public sector with varying discipline and rigour. If triple bottom line principles are applied more widely, it will be important to ensure a level of consistency in the models and approaches used. The Task Force notes that some departments are well advanced in this area.

5.2.11   Senior Management Council

The Senior Management Council (SMC) currently consists of Chief Executives of 11 administrative units/departments and the Commissioner for Public Employment. SMC is chaired by the Chief Executive of the Department of the Premier and Cabinet.

Moving forward

SMC provides an ideal forum for providing leadership in coordinating the delivery of whole of government programs and major cross government initiatives. SMC can assist in defining accountability by providing advice to the Government on lead and support departments and defining roles and responsibilities.   This could be done with draft memoranda of understanding, as described above. In this way proposed roles and accountabilities can be openly discussed and ownership of outcomes fostered. SMC can also play a greater role in unblocking major impediments to achieving whole of government solutions.

Formal role

The Task Force considers the Government could benefit from SMC exercising stronger leadership in the coordination of issues that are impacting across the public sector, and in promoting a change of culture to allow greater collaboration and innovation.

The Task Force believes it is essential for the role of SMC to be formalised with the imprimatur of the Premier and through issuing clear terms of reference and a modus operandi. The Task Force also believes it is important for the scope of SMC's agenda to be clarified with, and endorsed by, the Premier through regular meetings.

Information on SMC and Cabinet should be communicated widely in the public sector to promote greater understanding of the respective roles of these two bodies.

Membership

The Task Force believes SMC should consist of at least one representative of each Cabinet Minister and the Commissioner for Public Employment, noting that SMC needs to be kept to a manageable size to encourage collaboration.

Collaborative leadership

Through these arrangements the potential of SMC to improve coordination at a high level and provide collaborative leadership to the public service as a whole may be harnessed. Nevertheless, the Task Force recognises that SMC's effectiveness relies on the abilities and commitment of each member to work together and foster a culture of collaboration. A collegiate spirit and openness must be encouraged, and the issues considered by SMC must be sufficiently high level and cross-cutting for SMC to be truly effective. This would require robust management of the agenda by the Chair.

5.2.12   Cabinet Committees

As discussed in section 5.1, the Task Force believes effective and efficient Cabinet Committees can provide important support to Cabinet, particularly on complex issues requiring whole of government consideration. Cabinet Committees can clarify issues and resolve points of difference prior to consideration by the Cabinet. The Task Force believes the deliberations of Cabinet Committees would be strengthened by the involvement of relevant senior public sector employees to the extent that is appropriate. This would help ensure the necessary expertise and experience is brought to bear on issues prior to their consideration by Cabinet.

5.2.13   Performance Measurement

Robust and ongoing performance measurement built into all whole of government initiatives is necessary to achieve clear accountability for whole of government outcomes. Performance measures should be developed collaboratively within government and include opportunities for community input.

Moving forward

The Task Force believes it is important to consider information from a variety of sources including those outside of government, and that data be shared among departments and outside government. When multiple departments are working towards the same outcomes, it is essential that they are using the same information.

When developing whole of government outcome based performance measures it is important to:

- clarify purpose and priorities
- involve community in clarifying objectives and performance standards
- consider related programs and lessons learned
- consult with stakeholders in the development and review of indicators

- set measurable, achievable targets or benchmarks with assigned accountabilities

- measure environmental, social and economic impacts (triple bottom line)

- link targets and measurements to budget allocations and spending

- share information using common information systems and current data sources

- publish performance information and indicators

- provide opportunities for review, with community participation, and remedial action when progress is not satisfactory.

5.2.14   Recommendations

The Task Force recommends that:

104   The use of designated Ministers and lead departments for whole of government initiatives be strengthened.

104   All Chief Executives have a performance agreement which, among other things:

- is negotiated with the Minister

- is signed off by the Premier or the Minister under delegation

- is monitored by the Commissioner for Public Employment

- specifies a Chief Executive's accountability for achieving certain whole of government outcomes as well as for managing an administrative unit

- specifies a Chief Executive's responsibility for consulting and collaborating with external stakeholders and other government departments

- includes requirements to conduct thorough succession planning

- is properly managed, effective and meaningful

- spells out what that Chief Executive is required to achieve.

104   For major whole of government programs, a memorandum of understanding be established between relevant departments, that clarifies:

- scope of the program

- designated and support Ministers and lead department

- outcomes, targets and progress measures

- Ministerial and Chief Executive responsibilities

- funding contributions

- timeframes

- external party links (if involved).

104   The *Public Sector Management Act 1995* be amended to specify a Chief Executive's accountability for coordinating and delivering whole of government outcomes, in addition to the existing responsibility for an administrative unit/department.

104   Financial resources, allocated or pooled, for whole of government initiatives be provided where appropriate to the lead department, and that there be flexibility in how the financial resources are expended by support departments, but with robust reporting and monitoring of spending.

104   Members of project teams and working groups for particularly complex or sensitive projects be located together and relieved of their day to day responsibilities in their home department for the duration of the project.

104   The Commissioner for Public Employment develop a human asset register identifying:

- those most qualified for cross government work

- accredited project directors and managers

- those most qualified for community interaction activities.

104   There be wider application of triple bottom line reporting and that this take place within a consistent framework.

104   The role of the Senior Management Council be formalised with the imprimatur of the Premier and through clear terms of reference and a modus operandi which outline:

- the role of the Senior Management Council (to include information exchange and leadership for the coordination of issues which impact across the public sector)

- the membership of the Senior Management Council (at least one representative for each Cabinet Minister and the Commissioner for Public Employment)

- the relationship with the Government and the Premier (to include regular meetings between the Senior Management Council and the Premier).

104   Performance measures be built into all whole of government initiatives, which incorporate opportunities for community and stakeholder input.

5.3   Managing Knowledge

5.3.1   Aim

To develop and implement a whole of government knowledge management strategy and framework.

5.3.2   Knowledge Management

Similar to the private sector, knowledge management[10] is now an important issue in the public sector.   The 'New Economy', characterised by globalisation, information and communications technologies and the knowledge intensity of economic activities, emphasises the experience and knowledge of employees, and their management, as a key resource.

Knowledge management is about taking an integrated approach to creating, identifying, capturing, retrieving, sharing and retaining an organisation's (or a government's) knowledge. Knowledge includes an individual's tacit knowledge ('know how'), information, data and the practices and procedures for dealing with these.

Effective knowledge management can create a culture of 'working smarter' and doing more with less, thereby reducing duplication of effort, corporate memory loss and use of resources (time and cost).

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[10] Aspects of this outline of knowledge management have been adapted from the Department of Human Services, June 2001, *Framework and Guide for Knowledge Management in the Department of Human Services*.

Current environment

Knowledge management strategies are being developed and in some cases have been implemented in departments in South Australia. However, a broad, overarching strategy for managing government knowledge and information has yet to be developed.

Information presented to the Task Force suggests that there are a number of gaps and deficiencies in the way the public sector manages and shares its knowledge, particularly at a whole of government level. For example, there appears to be limited shared information systems resulting in duplication in information gathering, reporting and consulting. There is also limited exchange of knowledge and sharing of lessons learned by departments, particularly in its interaction with the public.

No public sector can afford to duplicate the work of departments or operate in organisational silos.

Developing a strategy and framework

The Task Force believes the Department for Administrative and Information Services is best placed to lead the development and implementation of a knowledge management strategy and framework for whole of government to:

- consolidate isolated strategies and practices
- coordinate knowledge and its transfer across, within and outside government departments
- reduce duplication of information gathering and reporting
- enable openness and more equal access to information
- support evidence based decision making
- promote cultural change, collaboration and innovation
- support the pursuit of whole of government strategic priorities and committed outcomes.

The Task Force considers a good knowledge management strategy and framework should equally consider all forms of knowledge (tacit and explicit). It should also form one of the tools in building cultural goals such as collaboration, innovation, continuous improvement and coordination. This would involve a focus on three areas of knowledge resources:

- **human resources** – promoting a culture that supports knowledge sharing, collaboration and innovation (eg succession planning, communities of interest, experiential learning)
- **systems and processes** – providing enabling processes, technologies and common systems and frameworks (eg integrating systems and processes (where appropriate), managing information)
- **networks and external sources** – leveraging the use and value of knowledge from outside the public sector (eg service providers, suppliers, advisory bodies, broader community).

5.3.3   Information Management

Information management is an important part of knowledge management. The Task Force was advised that a coordinated approach to information access and provision across government and with the community is essential (see section 7.1).

Developing a framework

The Task Force believes a whole of government information management framework (within a broader knowledge management framework) should be developed to define:

- how to determine what information should be available

- the context within which information will be managed

- how government information will be captured, stored, managed and used

- how this information will be used to support business and the broader community

- links to policies, standards and guidelines to assist agencies in identifying information requirements, including legislative requirements.

Such a framework would have a primary focus of integrating government departments' approaches to information management and result in a more efficient and effective use of data through information sharing, reduced duplication and leveraging the value of current information.

The Department for Administrative and Information Services (DAIS) is currently developing a pilot information management framework for its own operations. Following implementation, DAIS will recommend the most appropriate model for a whole of government framework, in consultation with other departments. This is supported by the Task Force.

5.3.4   Duplication of Reporting

Evidence presented to the Task Force has shown there are a number of duplications in regular reporting requirements. The Task Force believes such duplication should be eliminated. Reporting requirements can be coordinated, streamlined and integrated where appropriate to ensure maximum use is made of available resources. Ad hoc requests for information can also be limited by making use of existing information, wherever possible. A planned approach to be taken at a central level will be required to reduce duplication. The Task Force believes the Department of the Premier and Cabinet should coordinate a short review of this issue and possible solutions.

5.3.5   Recommendations

The Task Force recommends that:

104   The Department for Administrative and Information Services leads government work to develop and implement a whole of government knowledge management strategy and framework, involving focus on:

- human resources – promoting a culture that supports knowledge sharing, collaboration and innovation (eg succession planning, communities of interest, experiential learning)

- systems and processes – providing enabling processes, technologies and common systems and frameworks (eg integrating systems and processes (where appropriate), managing information)

- networks and external sources – leveraging the use and value of knowledge from outside the public sector (eg service providers, suppliers, advisory bodies, broader community).

104   The Department for Administrative and Information Services ensure that its information management framework can be extended for whole of government use.

104   The Department of the Premier and Cabinet coordinate a short review of reporting requirements and information requests and make recommendations on eliminating any duplication.

5.4   Shared Services

5.4.1   Aim

To expand shared services to a larger group of agencies to increase flexibility and achieve economies of scale.

5.4.2   Current Environment

Information and communication technologies enhance opportunities for corporate services (eg. payroll, accounting, redeployment and human resources administration) to be bulked up to provide efficiency savings and improved services. Currently a number of government departments and agencies purchase corporate services from other government agencies to achieve a shared service.

Shared services are tailored to the needs of the client agency instead of a single practice being enforced regardless of the clients' business needs. For example, the Department for Administrative and Information Services uses a shared services model to provide payroll, accounting, redeployment and other services to all its business units and 15 other departments and agencies.

5.4.3   Moving Forward

The Task Force believes shared services should be expanded across more agencies to create further savings for the Government. The Task Force believes the wider application of shared services would enable departments to concentrate on core business. At the same time, it would reduce the cost of restructuring departments and altering general ledgers and payroll systems. This would also achieve significant savings through greater efficiency and economies of scale.

5.4.4   Recommendation

104   The Task Force recommends that shared services be expanded to a larger group of agencies to achieve further economies of scale, efficiency savings and more flexibility in the restructure of government agencies, and to facilitate interagency cooperation.

5.5   Intergovernmental Relations

5.5.1   Aim

To foster effective working relationships between the South Australian Government and the Commonwealth Government, other state governments and local governments.

5.5.2   Current Environment

The South Australian Government has much to gain from fostering closer relationships with other governments. All spheres of government have significant contact with the community and the potential for sharing knowledge and coordinating effort within these spheres is extensive.

All departments have ongoing and issue-based interaction with relevant officers from the Commonwealth Government, other state governments and local governments (predominately

those in South Australia). For key intergovernmental issues affecting a number of South Australian departments, a Minister and department are usually designated to coordinate the State's input.

Cabinet Handbook

The Task Force notes the guidelines for Ministerial Councils contained in the Cabinet Handbook 1997. These guidelines are binding on each member government of the Council of Australian Governments. The guidelines outline agreed principles and practices for Ministers and their officials to apply in their dealings with Commonwealth Ministers and officials, particularly in relation to their respective Ministerial Councils.

As discussed in section 5.1, the Task Force considers the Cabinet Handbook should be updated as a matter of priority, and appropriate training undertaken to ensure departments have a good understanding of the Handbook's content including the guidelines on Ministerial Councils.

Intergovernmental Relations Branch, DPC

The Intergovernmental Relations Branch in the Department of the Premier and Cabinet (DPC) is responsible for coordinating State-Commonwealth negotiations where the Premier takes the lead in those negotiations. The Intergovernmental Relations Branch currently works closely with departments on matters that have intergovernmental implications, with a particular emphasis on information sharing and reporting to Cabinet as appropriate on issues. This Branch should continue to monitor intergovernmental issues.

Consistent with the Ministerial Council guidelines in the Cabinet Handbook, the Task Force believes the Intergovernmental Relations Branch should be kept informed of all significant negotiations with the Commonwealth Government and other state governments. In addition, this Branch has the expertise to provide assistance to lead departments where this is requested.

Lead departments

Each lead department in intergovernmental negotiations should coordinate the input from all relevant departments and keep them fully informed on progress (for example, the Department of Treasury and Finance in negotiations with the Commonwealth regarding Specific Purpose Payments).

State-Local Government Partnership Program

The Task Force notes the progress that has been made by the State-Local Government Partnership Program in the development of state and local government relations and joint initiatives.

This program has in part been characterised by the adoption of written agreements between the State Government and local governments. These written agreements have provided an opportunity for the parties to outline their roles and responsibilities, what they are seeking to achieve, and the processes that will be adopted to work towards this. However, the Task Force also notes that the process of negotiation of these programs has led to the development of positive ongoing relationships at the state and local level through increased one to one contact, openness, discussion and negotiation between state and local government officers.

The Task Force considers the process to create the program has in many respects been just as effective, if not more effective, than the formal document in creating good working relationships.

Capital City Committee - example of state and local government working together

The *City of Adelaide Act 1998* established the Capital City Committee. The Act recognises that responsibility for the City of Adelaide is shared by the State Government and the Adelaide City Council. By establishing a number of positive mechanisms to allow for the management of these responsibilities, the Committee is a groundbreaking approach to city governance in a number of areas. For example, the Capital City Committee is the first intergovernmental body of its type in Australia. The Act supports a shared approach to strategic direction-setting for the city. The Committee provides a regular forum for communication, coordination and collaboration between the two spheres of government.

The Act also established the Capital City Forum, which is appointed by the Committee and is made up of members from a range of interest areas in the City of Adelaide community. This Forum provides a direct source of advice and feedback to the Committee.

5.6   Integrated Service Delivery

5.6.1   Aim

To further integrate the delivery of State, Local and Commonwealth Government services.

5.6.2   Current Environment

Evidence presented to the Task Force indicated that many people within the community make little or no distinction between the three spheres of government and expect to deal with government as one entity. The concept of a one stop shop and online services can provide a seamless service to the community.

The Task Force notes that Service SA is an initiative to consolidate state and local government customer access into a common point. Currently, Service SA has three customer service centres, which incorporate a number of local and state government services and provide referrals for more specialised inquiries. Service SA also provides services through a call centre and a website. Information provided to the Task Force indicates that Service SA, in partnership with rural agents, will also provide locally driven single point access for a range of government services in smaller towns.

5.6.3   Moving Forward

Service SA

The Task Force believes Service SA provides an opportunity to enhance the accessibility of services to people within the community regardless of who is the original provider. It has potential to provide further savings to the Government by providing a mix of services at one outlet, particularly as more state agencies become involved, and further local and Commonwealth services are added. Therefore, the Task Force considers Service SA is an example of the Government using the benefits of technology and shared services to increase responsiveness to the community and to facilitate the delivery of positive and more cost effective outcomes. Service SA also encourages the uptake of online services across business and the community.

Local government

The Task Force believes that due to South Australia's geographic and population size, the State Government is in an ideal position to further partner with local government in the provision of services to the community based on localised needs. The Task Force considers that how this may be achieved and what services should be included is beyond the scope of this review; however, further investigation of this matter is warranted.

5.6.4   Recommendation   45

104   The Task Force recommends that service delivery of the kind offered by Service SA be extended to include more state agencies, and local and Commonwealth Government services as appropriate.

Chapter 6   Prudential Management

6.1   Managing Risk

6.1.1   Aim

To strengthen the capacity of the Government and the public sector to appropriately identify, assess and manage risk, not necessarily avoid risk.

6.1.2   Accountability

The Government's existing policy on risk management 'makes Chief Executives accountable to their Minister for the implementation of risk management standards and practices'. This relates to employees, production, technological capability, assets, the provision of services, and the environment in which the Government operates.

Chief Executives are required to 'develop risk management standards and practices in the areas for which they are accountable, and to ensure that these standards and practices are fully communicated to and have the active support of all employees'.

Moving forward

The Task Force considers this policy should be updated and reaffirmed jointly by the Premier and Treasurer to reflect the increasing importance placed by the Government on effective risk management in the public sector.

The Task Force believes Chief Executives, as part of their performance agreements with their Ministers, should be required to report on the risk management standards and practices implemented within their department or agency. The Task Force further believes all other executives, as part of their performance agreements with their Chief Executives, should be required to report on the risk management standards and practices implemented by them in the areas for which they are responsible.

6.1.3   Increased Government Exposure to Implications of Risk

Introduction

In the current global and national environment, there is an increasing level of exposure to risk for the Government in areas of service delivery and infrastructure provision. The Task Force was advised that at present, there is also a reluctance by the insurance industry to cover some types of projects and activities.

Identification and Assessment of Risk

If Chief Executives are to lead their departments with innovative and responsive service delivery and implementation of other government priorities, the Task Force believes clear identification of the risk implications of policy and project decisions is essential. This is the case whether a decision is made by Cabinet, as part of Cabinet Committee processes, at Ministerial level, by a Chief Executive or by delegated staff.

The assessment of risk, and planning to manage that risk, are fundamental to good decision making rather than obstacles to be avoided. Where opportunities exist to implement new government policies and programs, the Task Force considers that applying appropriate risk management provides an effective tool to assist in decision making and to enable business objectives to be achieved.

South Australian Government Captive Insurance Corporation

One of the functions of the South Australian Government Captive Insurance Corporation (SAICORP) is to provide advice to the Government on issues relating to its insurance and management of risks. SAICORP is able to advise the public sector on the general standards of information and training required for particular situations, and on available relevant training options.

SAICORP has taken a number of initiatives, in consultation with an informal network of risk management coordinators in major departments and agencies, to provide leadership in relation to risk management across the public sector. SAICORP has provided seed funding for a number of these initiatives.

Moving forward

The Task Force considers an ongoing commitment by Chief Executives to support and expand initiatives of this kind is important to effective risk management in the public sector.

6.1.4   Provision of Information to Cabinet

The Task Force was informed that too frequently cabinet submissions do not contain adequate description and assessment of the proposals' risks nor an appropriate plan for addressing these risks.

Moving forward

For Cabinet to be able to properly consider the risks involved with policy or project matters referred to it for decision, the Task Force believes information in sufficient detail needs to be provided to Cabinet about those risks and the recommended strategies for their management. The level of detail provided to Cabinet will vary depending on the nature of the policy or project being considered, and the potential impact of the risks if not properly managed.

The Task Force considers effective management of risk requires that roles and accountabilities are clearly enunciated and agreed upon, especially where more than one Minister or department is involved and where activities involve or affect entities outside of Government.

6.1.5   Leadership in Risk Management

Leadership commitment to risk management is a key to effective risk management being embraced in the culture of the public sector, rather than the current tendency to risk aversion.

Moving forward

The Task Force believes Chief Executives and other key public sector stakeholders should be informed about the reasons for important Government decisions and the risks associated with those decisions. This will facilitate stakeholder commitment to the initiatives. An understanding of the issues involved empowers departments to deliver the required outcomes in a responsive way and to effectively manage the risks involved, including appropriate feedback to the Government.

Several existing management frameworks within the public sector such as the Financial Management Framework, the Prudential Management Framework, and the Procurement Reform Strategy (*Purchasing Strategically*) have risk management as an integral component. The Task Force considers all of these initiatives require leadership in risk management to be implemented effectively.

6.1.6   Coordination of Risk Management, Information and Training

The Task Force was advised that at present, the coordination of risk management in departments and agencies is generally delegated to staff at non-executive level. The Task Force believes coordination of risk management should be managed at executive level within departments and agencies, to reflect its importance and facilitate more effective promotion of the benefits of risk management.

Moving forward

The Task Force believes information and training plans in relation to risk management should be integrated into the strategic plan for each department and agency. Information and training in the principles and practices of effective risk management should be made available to staff at all levels within departments and agencies across the public sector, as an essential requirement.

6.1.7   Recommendations

The Task Force recommends that:

104   The Premier and Treasurer jointly affirm the importance of effective risk management in the public sector, and that by updating and reissuing the Government's Risk Management Policy reaffirm that it is the responsibility of Chief Executives to implement risk management standards and practices in the areas for which they are accountable.

104   Each submission to Cabinet be required to include:

- appropriately detailed information on the identification, assessment, and planned management of risks associated with the proposal

- clarification of the roles and accountabilities for risk management in those cases where more than one Minister and/or department or agency are involved in the delivery of a service or major project.

104   Chief Executives implement practices to ensure that consistent risk identification, assessment and management standards are applied in their departments and agencies whenever significant proposals are being submitted to a relevant Minister for decision, or are being considered internally within the department/agency.

104   Chief Executives, as part of their performance agreements with their Ministers, be required to report on the risk management standards and practices implemented within their department or agency.

104   Chief Executives nominate an executive as Coordinator for Risk Management to reflect and promote their personal commitment to risk management and to enhance the commitment of staff and employees to a culture of effective risk management.

104   All Executives, as part of their performance agreements with their Chief Executives, be required to report on the risk management standards and practices implemented by them in the areas for which they are accountable.

104   Steps be taken as necessary in departments and agencies to expand the promotion and training of managers and staff at all levels in risk management processes, including the benefits those processes can bring in service delivery and project management.

6.2   Legal Services

6.2.1   Aim

To ensure departmental requests for legal services are both appropriate and proportionate to the risk identified.

6.2.2   Current Environment

The Task Force was advised that risk aversion within the public sector has resulted in an increasing number of requests for legal services to the Crown Solicitor's Office as a means of transferring responsibility for managing risk. As a result, departments are too often seeking legal services to resolve matters of a non-legal nature or as a source of a second opinion (eg policy advice, planning or management decisions). The Task Force believes such requests of the Crown Solicitor's Office are inappropriate.

Through its investigations, the Task Force has become aware that departmental requests for legal services are at times not framed appropriately, are too general, fail to provide adequate information or to ask relevant questions. These inadequacies may lead to legal services that do not meet the needs of the department.

6.2.3   Moving Forward

As discussed in section 6.1, each department should establish appropriate standards and practices to effectively manage risk. Legal services should be sought where necessary, after the department has gone through a rigorous process of risk assessment and development of a plan to manage that risk.

Departments should not be discouraged from seeking legal services in appropriate circumstances, as the identification and treatment of legal risk is part of a robust risk management process.

The Task Force therefore considers each department should develop and implement protocols that:

- ensure that requests for legal services are addressed within the context of the department's risk management framework

- lead to the skillful and accurate preparation of the brief for legal services.

The Task Force considers requests for legal services should be signed off by the Chief Executive of the relevant department (or the Chief Executive's delegate).

6.2.4   Recommendations

The Task Force recommends that:

104   Each department develop and implement protocols that:

- ensure that requests for legal services are addressed within the context of the department's risk management framework

- lead to the skilful and accurate preparation of the brief for legal services.

104   All requests for legal services be signed off by the Chief Executive of the relevant department (or the Chief Executive's delegate).

6.3   Major and Large Capital Investment Projects

6.3.1   Aim

To make approval processes for major and large capital investment projects efficient and effective while maintaining high standards of probity and accountability.

6.3.2   Current Environment

Major Projects

Major or special projects have a number of characteristics that set them apart from other projects. They are typically unique and high profile and involve a mix of complexity, risk, innovation and high cost. While relatively few in number (say 5-10% of all projects), these projects have a major impact on the State's development and how it is perceived in making things happen.

Major projects are often initiated by the private sector and require some Government involvement such as infrastructure provision, funds, policy or legislative change, facilitation and/or access to land. However, they may also be initiated by the Government.

Responsibilities

Major industry development projects (eg major new company investments) are largely handled through the Department of Industry and Trade. Other major projects (eg recreational, tourism, residential, infrastructure etc) are handled by a number of different departments. In particular, a major project that clearly falls within the core business of a single department is generally handled by that department (which is designated the lead or 'sponsor' department). For non-commercial and non-infrastructure departments, delivery of these projects is managed by the Department for Administrative and Information Services.

A number of projects, however, do not fall within the core business and capabilities of a single department, and require input from a number of departments. Currently, these projects are facilitated and coordinated by the Department of the Premier and Cabinet (private sector proposals and complex projects) and the Department for Administrative and Information Services (non-mainstream projects initiated by the Government).

Other Large Projects

The Government initiates a number of other important projects including buildings such as schools and hospitals, and public infrastructure such as roads. While these projects can require significant funding, they are not unique and their implementation is not as complex as for major projects.

Issues

Most major and other large projects proceed without significant problems. However, there has been a perception that a number of major projects have not been progressed as quickly as possible, and several major projects have also exposed the Government to risk and increased costs. Many of the procedural issues affecting major projects also apply to the approval of other large projects.

A range of legislation applies to major and other capital investment projects. Of particular relevance are sections 46 to 48 of the *Development Act 1993*, which enable certain private and public projects to be declared as major developments for development assessment purposes and then requires these projects to be determined by the Governor. It should be noted that

this process is quite separate from, and in addition to, the mandated government procedural approval process discussed below.

The Task Force has not examined the development assessment processes under the Development Act as these have been the subject of previous investigations. As a result, none of the Task Force's conclusions and recommendations apply to the Development Act assessment processes. The Task Force recognises that many of the government procedural approval processes and the Development Act procedures can and should be undertaken simultaneously in an integrated manner to avoid delays.

6.3.3   Mandated Approval Process and Accountability

Procedures have been developed over the last few years that have resulted in a series of mandatory steps in the approval process for major and other large public capital investment projects. The Project Initiation Process was established to provide guidance on the various steps required to progress public works proposals through the approval process.

For a project or public work with a value in excess of $4 million; Treasurer's Instructions 8 and 17, the Prudential Management Framework, Department of the Premier and Cabinet (DPC) Circular 15 and the *Parliamentary Committees Act 1991* together, require the project to be considered and/or approved by:

- Prudential Management Group

- Acquittals Committee (if public works involved)

- Cabinet (which may also have meant pre-consideration by the relevant Cabinet Committee)

- Public Works Committee (if public works involved).

Requiring projects to go through most or all of these usually sequential steps, irrespective of the particular characteristics of each project, has a number of important implications:

- the length of time taken to get final approval for the project to commence

- a focus on process rather than on quality outcomes

- the time and resources involved in preparing the different documentation required for many of the bodies

- the potential for accountabilities of sponsor departments to be blurred due to a lack of clarity and understanding of the roles and responsibilities of these different bodies.

Approval limits

In the evidence provided to the Task Force, questions were frequently raised about the validity of maintaining the $4 million threshold for mandatory referral of projects to these bodies. This threshold has been in place since 1994. Several oral and written submissions held that the threshold was too low as most projects below a value of about $10 million were not so problematic as to warrant the scrutiny of all these bodies.

There was also concern about the volume of relatively straightforward projects and other proposals being considered by Cabinet, reducing the time available for Cabinet to focus on major or contentious items.

Moving forward

Various approval limits are stipulated in Treasurer's Instructions 8 and 17. The Task Force believes the threshold for Cabinet approval of public sector initiatives should be increased to

an estimated cost of $10 million for the initiative and that Ministerial approval limits should be increased to up to this amount.

The Task Force also believes a review of other delegations in Treasurer's Instructions 8 and 17 (eg approval to enter into contracts and approvals before tenders are called) would be prudent to ensure they are consistent with efficient and effective processes. They could also be tailored to meet the needs of individual departments.

Cabinet Committees

In the past, a number of standing and issue-based Cabinet Committees have been established for high level deliberations on major and other large projects prior to their consideration by Cabinet. These committees have included the standing Major Projects Cabinet Committee, and various committees focusing on specific issues such as the Hindmarsh Soccer Stadium, Riverbank redevelopment and the Torrens Parade Ground.

The adequacy of the Cabinet Committee system has been discussed previously in section 5.1 of this report. In addition to these comments, the Task Force believes there should be one standing Cabinet Committee (as opposed to several committees) to oversee major and other large capital investment projects prior to any necessary consideration by full Cabinet. In section 4.3 of this report, the Task Force suggests this should be the standing Cabinet Investment Committee, which would also undertake a variety of other closely related roles.

Tailoring approval processes

The Task Force believes that maintaining the highest standards of accountability and probity in all Government activities, including projects, is essential. However, the Task Force also considers the complexity and lack of flexibility of existing project approval processes often frustrate accountability and probity.

In addition to being streamlined where possible, approval processes need to be tailored to a much greater extent than at present to meet the needs of individual projects. To this end, the Task Force believes at the outset of each proposed major project or other large capital investment project (in excess of $10 million or at a lower amount as determined by the Capital Investment Committee), the relevant agency should prepare an initiating project brief.

Capital Investment Committee

The initiating project brief should be forwarded to the Capital Investment Committee for consideration and determination of:

- the status of the project (whether major or otherwise)
- the appropriate approval process for the project, including:
  - assignment of responsibility for auditing projects at key milestones/decision points (see section below on the Prudential Management Group)
  - initial determination of the timing of any necessary referral back to the Committee and also consideration by Cabinet
- the designated Minister, lead department and project director
- appropriate and clear delegations.

The Task Force believes the Capital Investment Committee should also consider the project at other key milestones/decision points as appropriate prior to construction and before any necessary referral to full Cabinet (eg at the concept evaluation stage). It should also monitor the project as appropriate during its construction phase.

Details in an initiating project brief

The initiating project brief should be sufficiently comprehensive to allow the Capital Investment Committee to have an understanding of:

- the project's key components and timelines

- initial estimated costs (the validity of the underlying assumptions to be signed off by the Department of Treasury and Finance)

- its complexity and risks (including social and environmental implications as well as financial risks)

- any legislative requirements

- its clear links to the Government's objectives as indicated in its strategic plan.

Prudential Management Group

On balance, the evidence put to the Task Force indicated that the Prudential Management Group (PMG) is providing three important services:

- day to day advice to project directors/managers on prudential management via its supporting team/ secretariat

- an educative/awareness raising role through formal seminars and distribution of information

- formal review of the documentation and integrity of processes adopted for major/special projects.

However, several oral and written submissions questioned the continuation of its formal review role given a number of factors relating to:

- the existence of more effective options for helping to ensure the integrity of processes

- best use of very senior public sector employees

- increasing breadth of PMG's review role

- some perceived overlap between PMG's role and the roles of other bodies such as the State Supply Board and the Public Works Committee

- the blurring of accountabilities.

Comment was also made to the Task Force that PMG tends to have a legal focus and that it can be conservative and risk averse. The Task Force was advised that, to provide greater balance, PMG's existing expertise needs to be complemented by skills in business management, procurement, and contract and project management.

Moving forward

The Task Force evaluated a range of options to ascertain the most efficient and effective approach. These included:

- maintaining PMG, but limiting its efforts to providing advice on projects on an exceptions basis

- abolishing PMG and making departments accountable for existing responsibilities in quality control and risk management

- replacing PMG with a process of auditing key milestones/decision points of a project, based on the UK Gateways Reviews model (see summary in **Box 3**).

Box 3: Summary of UK Gateways Reviews Model[11]

What is a Gateway Review?

In simple terms, it is a review of a procurement project carried out at a key decision point by a team of experience people, independent of the project team. Procurements are any finite activity designed to deliver a government requirement and involving government expenditure.

The Gateway Process is based on well proven techniques that lead to more effective delivery of benefits together with more predictable costs and outcomes. The process considers the project at critical points in its development. These critical points are identified as Gateways. There are six Gateways during the life cycle of a project, four before contract award and two looking at service implementation and confirmation of the operational benefits. The process emphasises early review for maximum added value.

Gateway 0 may be applied at the start up of a program or a project. It is expected at the start up of a program and is recommended practice for a major project that is high risk.

What are the benefits?

The Gateway Process provides assurance and support for Project Owners and Senior Responsible Owners in discharging their responsibilities to achieve their business aims:

- the best available skills and experience are deployed on the project

- all the stakeholders covered by the project fully understand the project status and the issues involved

- assurance that the project can progress to the next stage of development or implementation

- achievement of more realistic time and cost targets for projects

- improvement of knowledge and skills among government staff through participation in review teams.

Reports and accountability

The review report is for the Project Owners and Senior Responsible Owners and it will be their decision to authorise project progression or implementation of recommended remedial actions. The Office of Government Commerce (OGC) retains copies of review reports in order to identify and disseminate generic lesions learned.

Review teams

The Project Owner or Senior Responsible Owner uses the Project Profile Model to determine the level of risk associated with a project. For large complex and other high risk projects the review team leader is appointed by OGC and leads a review team independent of the department. For medium-risk projects, an independent team leader is appointed OGC to lead a review team drawn from independent departmental staff. For low-risk projects, departments appoint the independent leader and team members from within the department.

The teams vary in size but typically are between three and five people. Each review takes about three to five days, with a complete report being provided to the Project Owner or Senior Responsible Owner before the team leaves the site. The targeted review is designed to avoid any delay of the project.

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[11] Office of Government Commerce. 2002, OGC *Best Practice and Operational Guidance* from the OGC website at www.ogc.gov.uk

Overall, the Task Force believes a combination of the last two options has greatest merit.

In suggesting that PMG be abolished the Task Force is not meaning in any way to reflect negatively on PMG's contributions to date. Instead, this suggestion is intended to clearly reinforce the accountabilities departments have for ensuring adequate quality control and risk management for all of their outputs, including projects.

However, to assist sponsor departments in these responsibilities, the Task Force also recommends:

- establishment of a process of auditing a project at key milestones/decision points

- retention of the team supporting PMG but locating it within the Department of the Premier and Cabinet (as opposed to the Attorney-General's Department where the team currently resides). The Prudential Management Team should be independent from the Strategic Projects Division of that Department.

Prudential Management Team

The Task Force believes the Prudential Management Team should be responsible for:

- auditing major or special projects at key milestones/decision points as directed by the Capital Investment Committee of Cabinet. Each milestone audit report on a particular project would be provided to the sponsor department. The sponsor department would be responsible for taking any necessary action to address issues arising from the audit, and for auditing other more straightforward projects

- continuing to provide advice as necessary to departments on prudential management

- continuing to educate the public sector on prudential management in conjunction with the Office for the Commissioner for Public Employment.

In order to undertake these roles, the Task Force believes the Prudential Management Team would need more resources to complement the team's existing expertise. These resources would need to include skills in financial and business management, procurement, and contract and project management[12].

Acquittals Committee

Established in 1998, the Acquittals Committee has a broad mandate from Cabinet to ensure a high standard of reporting to both Cabinet and the Public Works Committee. The Task Force was advised the Acquittals Committee was responsible for several important improvements to the approval process including the introduction of the notion of 'sponsor department', ensuring the involvement of officers of appropriate seniority in the process, and the inclusion of a section on risk management in cabinet submissions.

However, oral and written submissions to the Task Force have consistently questioned the continued existence of this Committee. A number of issues frequently raised include:

- the Committee's 'checking role' blurs departments' accountability for ensuring adequate quality control in the development of project proposals and the accompanying documentation (ie submissions to Cabinet and to the Public Works Committee)

- blurring of departments' accountability for ensuring good consultation of all relevant parties (including central 'acquittal' departments) early on and at other key stages of a proposed project

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[12] Opportunities to resource from within the public sector should be taken.

- the length of time taken to get acquittals from central departments and sign off from the Committee, on the adequacy of documentation, primarily because of the poor standard of the documentation prepared by departments and the consequent need for successive revisions

- the different documentation required for the Public Works Committee.

Moving forward

The Task Force believes these issues reflect more on departments not fulfilling existing responsibilities than negatively on the Acquittals Committee itself. Nevertheless, the Task Force is of the opinion that the Acquittals Committee should be abolished and that each departmental Chief Executive be made to account for their existing responsibility of obtaining the required acquittals from central agencies before a proposal which requires Public Works Committee consideration, is submitted to Cabinet.

As discussed previously, the Task Force believes this and other existing accountabilities of Chief Executives (with respect to ensuring effective quality control and consultation) should be enforced by Cabinet Office being given the necessary authority of the Premier to refer any inadequate submissions to Cabinet and the Public Works Committee back to the relevant Minister.

Use of this ultimate sanction, however, should be minimised by the sponsor department, Cabinet Office and other relevant parties working collaboratively together from the outset and by the sponsor department diligently addressing any issues arising from the independent audits of the project's key milestones.

Aquittals process

The Task Force has also been advised that the process and actual acquittals stipulated in DPC Circular 15, do not reflect what takes place in practice. For example, acquittals are not necessarily provided prior to the Acquittals Committee process but as a part of this process or when Cabinet approves the documentation.

Another example is that section 21 of the circular requires the Department of Treasury and Finance to provide assurances to Cabinet on a number of items including the economic evaluation of the project. The Task Force understands this department comments on the appropriateness of the methodology used in the economic evaluation rather than on the accuracy of the evaluation and merit of the proposal.

Moving forward

To address this anomaly, the Task Force suggests the precise nature of the acquittals to be obtained from central departments should be reviewed and clarified by the Department of the Premier and Cabinet.

Public Works Committee

Under subsection 16A(1) of the *Parliamentary Committees Act 1991*, a public work must be referred to the Public Works Committee of Parliament '… if the total amount to be applied for the construction of the work will, when all stages of construction are complete, exceed $4 000 000'[13.]

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[13] Exemptions exist under subsection 16A(3) of the Act with respect to projects involving the Superannuation Funds Management Corporation of South Australia.

Section 3 of the *Parliamentary Committees Act 1991* defines a public work as,

'… any work that is proposed to be constructed where-

(a) the whole or a part of the cost of construction of the work is to be met from money provided or to be provided by Parliament or a State instrumentality; or

(b) the work is to be constructed by or on behalf of the Crown or a State instrumentality; or

(c) the work is to be constructed on land of the Crown or a State instrumentality;'

There is uncertainty about the application of these provisions. For example, should a major maintenance project in excess of $4 million be automatically referred to the Public Works Committee? Furthermore, the provisions imply that irrespective of whether most of the funds are to be provided by the private sector, any projects with a total construction cost over $4 million and involving some Government funds must be referred to the Public Works Committee. Indeed, public works in excess of the $4 million threshold but not involving any Government funds must be referred to the Committee if public land is involved or if the works are to be constructed by or on behalf of the Crown or a State instrumentality.

Approval limits

Transparent and timely accountability to Parliament, as well as to Executive Government, for the expenditure of large amounts of State Government funds on projects is fundamental. However, the Task Force believes section 16A of the *Parliamentary Committees Act 1991* does not provide the required focus on such expenditure. Accordingly, the Task Force suggests this section should be amended to make the criterion for automatic referral to the Public Works Committee as 'a public work requiring the expenditure of $10 million or more of State Government funds'.[14]

Such an amendment would clearly indicate the Committee's interest in the expenditure of State Government funds as opposed to private sector contributions. It would also appropriately allow the Committee to focus on the more significant public works involving the expenditure of $10 million or more of public funds.

Most projects below this threshold have not been so problematic as to warrant the scrutiny of Cabinet and the Public Works Committee.

Timeliness

Several submissions to the Task Force indicated concern about the time taken by the Public Works Committee to consider public works proposals referred to it. Due to the volume and nature of public works proposals, the Task Force understands it may take several months before a committee hearing can be scheduled and several more months before the Committee completes its final report. This is significant because under subsection 16(A)(2) of the *Parliamentary Committees Act 1991*,

> 'No amount [of money] may be applied for the actual construction of a public work referred to in subsection (1) [ie exceeding a construction cost of $4 million] unless the work has first been inquired into by the Public Works Committee under this Act and the final report of that Committee on the work has been presented to its appointing House or published under section 17(7).'

For those matters referred to the Committee by the House of Assembly (ie its appointing House), subsection 17(2) of the Act allows the House to fix a period within which the Committee is required to present its final report to the House on that matter.

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[14] The definition of a 'public work' under section 3 of the Act should also be clarified with respect to the maintenance of existing capital assets.

To avoid delays in the commencement of public works referred to the Committee, the Task Force encourages the application of this provision. It also believes consideration should be given to amending the Act to allow for a period to be fixed for the Committee's final report on matters referred to it by other means (eg by the Governor or of the Committee's own motion).

Industrial and Commercial Premises Corporation Proposals

Several submissions to the Task Force highlighted concerns about the current approval process for projects under the Industrial Premises Development Scheme. This scheme is operated by the Industrial and Commercial Premises Corporation (ICPC), which works collaboratively with the Department of Industry and Trade to deliver land, buildings, finance and tenure services:

- for companies that the State Government wishes to attract to South Australia

- to assist companies already located here to significantly expand their businesses.

Often ICPC proposals cost over $4 million and are built on government land with government financing through the South Australian Government Financing Authority. As such they must be referred to the Public Works Committee. However, they may also be referred to the Industries Development Committee.

Under the Industries *Development Act 1941*, the Industries Development Committee investigates and reports on such matters relating to assistance to industry as are referred to the Committee by the Treasurer (who in the previous Government delegated his functions under the Act to the Minister for Industry and Trade). The Task Force understands that both committees are bipartisan and have similar investigative powers.

Evidence to the Task Force indicates that consideration of industry assistance proposals by both committees not only involves significant duplication but is also time consuming, limiting the effectiveness of the Industrial Premises Development Scheme. It has therefore been put to the Task Force that there would be state development advantages if only one of these committees considered industry assistance proposals. The submission advocates this should be the Industries Development Committee for a number of reasons including:

- the Industries Development Committee has shorter timelines for considering proposals because it focuses solely on industry assistance. This means these proposals are not competing for attention with the other more complex projects considered by the Public Works Committee

- the provision of a public work may form only part of the industry assistance proposal. The Public Works Committee's focus is on the public works component while the Industries Development Committee can focus on the complete industries assistance proposal

- due to the nature of the report made by each Committee, the Industries Development Committee is usually able to make its report on the day of its meeting. The Public Works Committee requires additional time to prepare its reports.

On this basis, the Task Force believes there is merit in industry assistance proposals being considered by only the Industries Development Committee. It therefore suggests the *Parliamentary Committees Act 199,1* and any other relevant legislation, should be amended to exempt proposals to be considered by the Industries Development Committee from the consideration of the Public Works Committee.

6.3.4   Roles and Responsibilities

Over time there has been a blurring and lack of enforcement of accountabilities of sponsor departments with respect to ensuring adequate quality control, timely and genuine consultation of all relevant parties, and appropriate risk management. Evidence to the Task Force has indicated a concern that there is sometimes a lack of clarity in the respective roles of Ministers and departments in key negotiations on major projects and in determining the details of these projects.

Further comment has been made on the need for:

- authority to be given by the Premier on certain major projects to get on with the job

- a designated Minister and lead department to be appointed for projects in which more than one Minister and department has an interest.

On the latter issues, the Task Force has previously referred to the proposed role of the Capital Investment Committee in determining, at the outset of a proposal, the approval process and roles and responsibilities including the appointment of a designated Minister, lead department and project director.

Departmental coordination

Many major projects are facilitated and coordinated in Government by the Department of the Premier and Cabinet (private sector proposals and complex projects up to the project delivery stage) and the Department for Administrative and Information Services (non-mainstream government initiated projects that do not fall into the role of one department). The Task Force believes it is important for these two departments to continue their current role on major or special projects.

Department of the Premier and Cabinet

Often private sector developers prefer dealing with the Department of the Premier and Cabinet because it represents the status and authority of the Premier. Evidence to the Task Force frequently highlighted the importance of senior officers within Government having the authority of the Premier to give credible advice at the outset to developers, including advice that the Government will not support or be involved in a particular project. The Task Force believes this authority best resides in the Department of the Premier and Cabinet.

The Task Force also believes the Department of the Premier and Cabinet is best placed to address any problems that may arise and to coordinate complex private sector projects requiring input from a number of departments. This role should be an ongoing function of the Department of the Premier and Cabinet as it is at present, rather than an ad hoc role through the appointment of a major or special projects coordinator or task force from time to time. This is due to the importance of retaining corporate knowledge and expertise on projects and issues.

This ongoing role of the Department of the Premier and Cabinet ensures rather than precludes the involvement of other relevant departments.

Department for Administrative and Information Services

The Major Projects Group in the Department for Administrative and Information Services (DAIS) acts as the project sponsor and project director for non-mainstream government initiated major or special projects, such as the Barcoo Outlet. Project direction of these and all other construction projects requires knowledge and expertise in government approval processes and a good understanding of governance arrangements in the public sector. It is also facilitated by an ongoing corporate memory of previous projects and issues. This

knowledge, expertise and corporate memory of other government initiated projects reside within DAIS. In contrast, these attributes are not readily found in the private sector.

For these reasons, the Task Force believes DAIS should continue its current role in implementing non-mainstream government initiated major or special projects that do not fall into the role of one department pursuant to the directions of the Capital Investment Committee.

The mandated role of DAIS in other capital building projects with an estimated cost in excess of $150 000 is discussed in the next section of this report.

6.3.5   Project Management Processes and Expertise

Current environment

The Task Force was presented with ample evidence that best practice project management processes and competent project management resources (in particular, a skilled project director and project manager) are fundamental for successful delivery of all capital investment projects, large or small. Major projects also require appropriate skills and experience in managing the special needs of these complex projects.

A range of other technical skills within a project team is also necessary. However, a competent project director and manager are responsible for managing the overall project and ensuring its successful completion against its objectives through the application of appropriate project management processes, knowledge and skills.

Inadequate upfront planning

Several oral and written submissions to the Task Force referred to the problems caused by deficiencies in project direction and management skills in a project team. Along with poor risk management, inadequate upfront planning and incomplete scoping of deliverables were frequently cited as particularly important factors underlying problems with any project (major or otherwise). Among other things, poor upfront planning can lead to unrealistic deadlines and inadequate contingency planning.

This in turn can undermine logical processes, force project teams to take shortcuts and compress key decision making points. Other factors contributing to inadequate upfront planning include premature public announcements of projects and a lack of understanding of the role and importance of Cabinet and key processes.

Other reasons for complications in projects

Other reasons cited in evidence to the Task Force for problems to emerge in projects included:

- insufficient involvement of key stakeholders and identifying their respective needs
- infrequent communication with key stakeholders and 'end users'
- poor containment of the scope of the project
- poor management of expectations, roles and responsibilities
- ineffective resource management
- incomplete hand-over between project phases
- no authority to overcome impediments
- poor project estimations.

Skills base

Comments to the Task Force consistently indicated that while there are very competent project directors and managers within the public sector for major and other capital investment projects, there are not enough of them. A number of reasons were provided for this. In particular, there has been an important loss of expertise and corporate knowledge with the downsizing of the public sector over the last ten years. Comments also suggested there has been inadequate succession planning and establishment of career paths for project directors and managers, among others.

In addition to the overall number of skilled resources, comments were made about the location of these skills and the application of best practice project management within the public sector. There was a consistent view that experience and expertise in dealing with major and other capital projects vary across departments as does the application of best practice project management. It was believed this situation is less than appropriate given the number, scale and importance of many of the projects undertaken and their impact on government funding and program delivery.

Role of Department for Administrative and Information Services

Several submissions referred to the role of the Department for Administrative and Information Services (DAIS) in non-major capital building projects. In addition to DAIS's role in major projects, non-infrastructure agencies are required to use the project management and risk management resources of DAIS for all capital building projects with an estimated cost in excess of $150 000. Under this mandate, the client department is the project sponsor and director, with the project management and delivery skills being provided by DAIS. The Minister for Administrative Services is the contracting Minister for these projects on behalf of the Crown.

A number of submissions questioned the mandate's threshold, believing that $150 000 was too low and that departments should be responsible for managing projects over this amount. Some were also critical of the adequacy of DAIS's input on mandated projects.

Another comment was that centralisation of project management and delivery in DAIS can blur the sponsor department's (and Minister's) role in, and ultimate accountability for, a project. However, while not supporting the notion of a Department and Minister of Public Works for this and other reasons, this submission concluded that the DAIS mandate should continue to apply to those departments with insufficient in-house resources to manage project delivery and associated risks.

Understanding different roles

Evidence to the Task Force indicated that another factor contributing to blurred accountability for projects is that the different roles and responsibilities of a project sponsor, project director, project manager and project team member are not always clearly understood by all parties.

Moving forward

After examining these issues, the Task Force is of the opinion that, given the importance of sound project management to the success of projects, there should be a competency based approach to project management within the public sector. While some project management is, and could continue to be, outsourced to the private sector, the Task Force believes that a core of skilled project directors and project managers should be retained within the public sector. However, project management resources from either sectors should be competent for these tasks as assessed against the National Competency Standards for Project Management.

To this end, the Task Force therefore believes further work should be undertaken in a number of areas.

Audit

The Task Force suggests there be an audit of:

- existing project direction and management resources in all departments to establish numbers and levels of competency (as assessed against the National Competency Standards) building on data already compiled by the Office of the Commissioner of Public Employment

- application of best practice project management processes across the public sector.

This work will help identify resource requirements and any other needs for implementing best practice project management within the public sector. The structure and process for outsourcing of any project management services should also be identified, including means of ensuring the use of competent project managers as assessed against the National Competency Standards.

DAIS mandate

The Task Force believes the DAIS mandate should be examined to determine whether it still provides the best option for the provision of project management expertise within the public sector for capital building projects with an estimated cost in excess of $150 000. Issues here relate to the appropriateness of the $150 000 threshold and whether a centralised approach should be maintained and if so, by whom. The facilities management contract should be examined as part of this analysis. Reference should also be made to previous reviews of the appropriateness of DAIS' role, in particular the review undertaken for the Government by Mr Dennis Corke of Rider Hunt Pty Ltd in 1998 (the so-called Corke Report).

Training and development

The Task Force believes consideration also needs to be given to establishing an appropriate career and training structure for the core of project management resources within the public sector. Consideration should also be given to ensuring a standardised application of project management processes (including systems and procedures) across the public sector using proven best practice processes developed in South Australia and elsewhere.

Next steps

The Task Force believes a small working group be formed to undertake these focused tasks within a concise timeframe. The Task Force considers the working group should comprise relevant officers from the Department of the Premier and Cabinet (Chair), DAIS, the Office for the Commissioner for Public Employment, and other relevant departments. The working group may benefit from the assistance of a key practitioner in the consulting and contracting industries.

6.3.6   Policies and Guidelines

Current environment

Evidence to the Task Force highlighted the need for a review of the plethora of guidelines and polices that currently apply to major and other projects and strategic procurement. These include:

- various Treasurer's Instructions, including Treasurer's Instruction 3 on Appropriation, Treasurer's Instruction 8 on Expenditure for Goods, Services and Works, and Treasurer's Instruction 17 providing Guidelines for the Evaluation of Public Sector Initiatives

- various Department of the Premier and Cabinet (DPC) Circulars, including DPC Circular 15 on the Acquittals Committee and process

- Project Initiation Process
- Prudential Management Framework
- Strategic Asset Management Framework
- Contracting Out Financial Guidelines
- Partnerships SA Guidelines.

For ease of reference, the Prudential Management Group has collated most of these guidelines and policies into its Project Handbook. However, this highlights the sheer volume of the material and as one submission noted, there appears to be a prima facie case for some consolidation of these documents. A framework is not provided for this material and so it is not obvious in all cases how the guidelines and policies relate to each other. More importantly, the volume of this material tends to mask any gaps and overlaps.

While individually each guideline and policy appears logical, comment has been frequently made that some of the guidelines may be too prescriptive leading to a mentality of checking boxes rather than a thoughtful, discerning approach. However, this issue also raises questions about the expertise or understanding of the people applying the guidelines.

It has been contended that a person with appropriate experience and expertise would not tend to resort to checking boxes. It also points to the frequently raised concern that the development of each policy and guideline is not followed up by sufficient training/awareness raising of relevant people on the meaning and use of these documents.

Moving forward

The Task Force is of the opinion that the existing guidelines and policies should be reviewed to:

- rationalise and present them in a logical framework identifying linkages and eliminating any gaps and duplication
- make less prescriptive by, for example, highlighting key principles.

Chief Executives of departments need to ensure that those who are responsible for administering these guidelines and policies are competent to do so and have undergone any necessary training to ensure they have a good understanding of them.

6.3.7   Recommendations

The Task Force recommends that:

104   The Capital Investment Committee consider major and large capital investment projects in excess of $10 million or at a lower amount as determined by the Committee:

- at the outset of each proposed project and at other key milestones/decision points as appropriate prior to construction, including the concept evaluation stage
- before any necessary referral to full Cabinet
- by monitoring progress as appropriate during the construction phase.

104   At the outset of each major or large capital investment proposal in excess $10 million or at a lower amount as determined by the Capital Investment Committee, an initiating project brief be prepared by the relevant department and forwarded to the Capital Investment Committee for a determination of:

- the status of a project (whether major or otherwise)

- the appropriate approval process for the project (including assigning responsibility for auditing projects at key milestones/decision points, and determining the timing of any necessary consideration by Cabinet)

- the designated Minister, lead department, and project director

- appropriate and clear delegations.

104   The initiating project brief provide sufficient information to allow the Capital Investment Committee to have a good understanding of all major aspects of the proposed project including its:

- key components and timelines

- initial estimated costs and underlying assumptions, the validity of which is signed off by the Department of Treasury and Finance

- complexity and risks (including social and environmental implications as well as financial risks)

- any legislative requirements

- clear links to the Government's objectives as indicated in its strategic plan.

104   The threshold for Cabinet approval of public sector initiatives at the concept evaluation stage be increased to an estimated cost of $10 million for the initiative and that Ministerial approval limits be increased to up to this amount.

104   Other delegations in Treasurer's Instructions 8 and 17 be reviewed to ensure they are consistent with efficient and effective processes and can be tailored to meet the needs of individual departments.

104   Chief Executives of sponsor departments be held accountable for existing responsibilities with respect to quality control, risk management, expenditure control and timelines of major and other projects.

104   The Department of the Premier and Cabinet coordinate the development of a whole of government framework for the audit of projects at agreed key milestones/decision points.

104   The Prudential Management Group be abolished.

104   The team supporting the Prudential Management Group be retained but relocated to the Department of the Premier and Cabinet and that this Prudential Management Team be assigned the following roles:

- to audit major or special projects at key milestones/decision points as directed by the Capital Investment Committee of Cabinet

- to provide advice as necessary to agencies on prudential management

- to enhance the understanding and skills of the public sector in prudential management in conjunction with the Office for the Commissioner for Public Employment.

104   The Prudential Management Team be adequately resourced to undertake the roles outlined in the previous recommendation, including expertise in business management, procurement, contract and project management to complement existing expertise.

104   The central agency acquittals currently described in DPC Circular 15 be reviewed and clarified by the Department of the Premier and Cabinet.

104   The Acquittals Committee be abolished and each departmental Chief Executive be made clearly accountable for obtaining the required acquittals from the Department of

the Premier and Cabinet, Department of Treasury and Finance, and Crown Solicitor before a proposal which requires Public Works Committee consideration, is submitted to Cabinet.

104   The *Parliamentary Committees Act 1991* and any other relevant legislation be amended to:

- change the criterion for automatic referral of a project to the Public Works Committee to a public work requiring $10 million or more of State Government funds

- exempt proposals to be considered by the Industries Development Committee from the consideration of the Public Works Committee.

104   The Department of the Premier and Cabinet continue its current role, with the authority of the Premier, in coordinating Government advice on and input to major project proposals from the private sector, and in acting as a 'trouble-shooter' on other major projects as appropriate.

104   The Department for Administrative and Information Services continue its current role in implementing non-mainstream government-initiated major or special projects that do not fall into the role of one department, pursuant to the directions of the Capital Investment Committee.

104   Given the importance of sound project management to the success of projects, there be a competency-based approach to project management within the public sector.

104   A small working group, comprising the Department of the Premier and Cabinet (Chair), Department for Administrative and Information Services, Office for the Commissioner for Public Employment, and other relevant departments, be established to undertake the following tasks within a concise timeframe:

- undertake an audit of (a) existing project direction and management resources in all agencies to establish numbers and level of competency as assessed against the National Competency Standards; and (b) application of best practice project management processes across the public sector, in order to identify resource requirements and any other needs for implementing best practice project management within the public sector

- examine the DAIS mandate to determine whether it still provides the best option for the provision of project management expertise within the public sector for capital building projects with an estimated cost in excess of $150 000

- develop an appropriate career and training structure for the core of project management resources within the public sector

- develop baseline project management processes and procedures for application across the public sector through using proven 'best practice' processes developed in South Australia and elsewhere.

104   The Department of the Premier and Cabinet coordinate a review of the range of guidelines and policies applying to major and other large capital investment projects and strategic procurement so that they are:

- rationalised and presented in a logical framework that identifies linkages and eliminates any gaps and duplication

- made less prescriptive.

104   Chief Executives of departments ensure that those who are responsible for administering these guidelines and policies are competent to do so and have undergone any necessary training to ensure they have a good understanding of them.

6.4   Strategic Procurement

6.4.1   Aim

To ensure further refinement of the implementation of the procurement reform program to maximise its benefits.

6.4.2   State Supply Board

The present State Supply Board was established in 1985 by the *State Supply Act 1985*. Originally, the Board's principal function was 'to undertake, provide for or control the acquisition, distribution, management and disposal of goods for or by public authorities' and to develop policies and guidelines relating to those responsibilities. These responsibilities were broadened in 1998 with the launch of the Government's unified supply policy framework, *Purchasing Strategically*, a key element of the Government's procurement reform program. The Board is now responsible for overseeing the procurement of both goods and services by public sector agencies. The *State Supply Act 1985* was amended in January 2002 to incorporate this unified approach to the procurement of both goods and services.

Support for reform agenda

The State Supply Board supports the procurement reform program on a whole of government basis by:

- administering the provisions of the *State Supply Act 1985*

- developing and disseminating procurement policies relating to purchasing and contracting of goods and services

- accrediting nominated senior agency representatives to become members of agency Accredited Purchasing Units, and administering the training curricula and program to achieve core procurement competencies

- setting standards for procurement initiatives, including electronic purchasing

- monitoring agency purchasing and contracting initiatives and performance

- reporting to Parliament on agency performance and the effectiveness of the accreditation program

- managing across government a mandated group of high value strategic contracts and a limited number of tactical, common use contracts from which purchasing leverage through aggregation can be generated.

6.4.3   Procurement Reform Program

The procurement reform program aims to achieve a strategic, unified and competency based approach to the procurement of goods and services across government. Specific objectives of the reform program include:

- development of efficient and effective processes and policies for the procurement of goods and services across government

- development of professional procurement capability

- increased use of whole of government contracts to maximise value

- implementation of professional procurement practices to replace a procedural approach to procurement

- linking procurement planning to agency budgeting and financial reporting

- implementation of low cost ordering facilities to reduce cost of processing orders and to redirect procurement resources to strategic procurement activities

- establishment of a whole of government database of key procurement information for use by key stakeholders in the procurement process.

Accreditation system

Central to the procurement reform program is an accreditation system which supports purchasing by agencies and their self regulation. Consistent with the State Supply Act, the Purchasing Strategically policy makes Chief Executives accountable for the integrity and efficiency of procurement structures and processes within agencies. Each Chief Executive's authority to contract for the purchase of goods and services is tied to a particular level of delegation accredited by the State Supply Board.

Accreditation to a particular level of delegation is determined by an assessment of the agency's procurement expertise and the extent to which appropriate systems are in place to:

- meet risk management and accountability requirements

- support improvement strategies.

Accreditation levels

There are currently four levels of delegation ranging from a contract delegation of up to $200 000 (lowest level, 1) to a contract delegation of up to $1 000 000 (highest level, 4). As competencies and capabilities increase, Chief Executives and nominated senior officers in agencies will be accredited to higher levels of delegation.

To date, two agencies have progressed to Level 3(a) involving a contract delegation of up to $500 000 while a third agency has progressed to Level 2 involving a contract delegation of up to $350 000. All other agencies are on Level 1.

Accredited Purchasing Unit

Support for Chief Executives in procurement decision making is provided by an Accredited Purchasing Unit (APU) in each agency. The APU is a panel of nominated senior officers in the agency, established to contract for the purchase of goods and services within the prescribed delegation. Each APU is accredited by the State Supply Board.

6.4.4   Current Review of the State Supply Act

As part of the Government's 10-point Plan for Honesty and Accountability in Government, the State Supply Act is currently being reviewed to modernise the legislation and ensure best practice procurement across all areas of government. The major objectives of the review are to ensure that procurement across government is undertaken in a consistent and coordinated manner with emphasis on achieving value for money in line with the Government's priorities.

6.4.5   Current Issues

Evidence to the Task Force raised a number of issues about the procurement reform program and its implementation. These include:

Mandated approval processes

- lack of clarity and understanding of the roles and responsibilities of different bodies involved in procurement (eg Accredited Purchasing Units, State Supply Board, Department for Administrative and Information Services, and also the Prudential Management Group and Cabinet for certain proposals)

- the length of time involved in tender transactions and getting contracts approved and signed (including the effect of obtaining legal advice)

- the requirement to go to tender in each case.

Policies and guidelines

- the large volume of polices and guidelines that apply in some cases. This tends to mask any gaps and overlaps

- the absence of a framework for these policies and guidelines, which makes it difficult to understand the linkages

- the prescriptive nature of some of the guidelines, leading to a mentality of checking boxes rather than a thoughtful, discerning approach.

Accreditation

- the existing levels of delegations for procurement are 'too low', and are not tailored to the business of the agency (in particular there can be a mismatch between the procurement delegations and financial delegations). The Task Force notes this issue raises the need for agencies to continue to progress to higher levels of accreditation to meet their procurement needs

- size of agencies. Some agencies are too small to achieve the full benefit of strategic procurement. It may not be cost effective for these agencies to commit sufficient resources to progress to higher levels of delegation.

Whole of government contracts

- some of the whole of government contracts have placed too much emphasis on lowest price at the expense of value for money.

6.4.6   Moving forward

In examining these issues, the Task Force was mindful of the extensive review of procurement practices and procedures undertaken recently by the State Supply Board, which led to the introduction of the strategic procurement reform program and *Purchasing Strategically* policy. The Task Force is also mindful of the current review of the *State Supply Act 1985* and the role of the State Supply Board in this.

The Task Force therefore believes the State Supply Board is the appropriate body to address the issues summarised above (and any other outstanding issues) as part of the process of further refining implementation of the reform program.

6.4.7   Recommendation   69

104   The Task Force recommends that implementation of the procurement reform program under the *Purchasing Strategically* policy be further refined by the State Supply Board, among other things addressing the issues outlined by the Task Force under section 6.4 of its report.

Chapter 7   Interface with the Community

7.1   Community Interaction

7.1.1   Defining the Community

At its broadest level the community embraces everyone. However, it can be smaller, more discrete groups of individuals who identify with specific cultural, social, business, environmental, religious or other specific interests, sectors or groups. The community can also be thought of in terms of geographic or demographic factors.

7.1.2   Working with the Community

Introduction

Government interacts with the community over a broad spectrum of issues. This interaction occurs during policy development and service delivery. It can be facilitated by a number of approaches falling into three categories:

- **Information provision** occurs when government disseminates information to the community or when people access information. It is a one-way process of interaction.

- **Consultation** occurs when government seeks and obtains feedback from the community. It is a two-way process of interaction.

- **Engagement** is also a two-way process of interaction and occurs when the community is more actively involved in initiating and/or assisting the formulation of policy and delivery of programs.[15]

These three categories of interaction operate on a continuum of increasing community involvement:

Inform   Consult   Engage
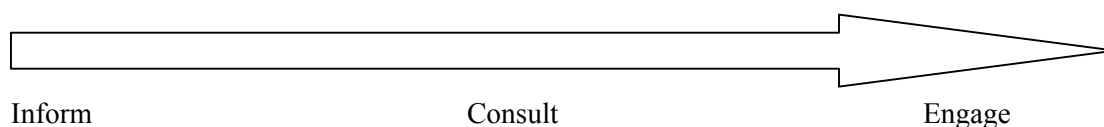
Information Provision

The aim of information provision is to ensure the community is provided with balanced and objective information to assist understanding and access to policy development and service delivery. To do this, it needs to be complete, objective, reliable, relevant, accessible and understandable.

Examples of methodologies of information provision include media releases, web sites and access to public records. More active forms of information provision include information services, chat sites, presentations and road trips.

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[15] Adapted from Organisation for Economic Co-operation and Development. 2001, *Engaging Citizens in Policy Making: Information, Consultation and Public Participation.*

Consultation

The aim of consultation is to obtain community feedback on analysis, alternatives and decisions regarding policy development and service delivery. Successful consultation requires clear goals, which are understood by both parties. It also involves clear understanding of limitations and what will happen with the community's input.

Examples of consultation methodologies include surveys, requests for public comment, interviews and public meetings. Relevant stakeholders can assist with developing appropriate consultation methods. They usually have an understanding of how best to access and involve those most affected or interested in the issue.

Engagement

The aim of engagement is to actively involve the community in decision making and delivery. Engagement with the community can include:

- working directly with the community throughout a process to ensure that community issues and concerns are consistently understood and considered

- partnering with the community in the decision making process including the development of alternatives and the identification of preferred solutions.

Engagement with the community can help government and the community to develop a shared understanding of each others roles and responsibilities. It gives the community the opportunity to develop a comprehensive understanding of the objective of government services.

Successful engagement requires sufficient flexibility of purpose and time to allow the community to respond and for their input to be fed into internal government processes. Examples of methodologies for engagement are issue based partnerships, open working groups, community advisory committees and forums.

In any engagement process, however ultimate responsibility for the final decision of an issue rests with government as part of its role in providing representative and accountable government.

7.2   Strengthening Government and Community Relationships

7.2.1   Aims

To provide appropriate information to the community efficiently and effectively.

To ensure consultation with the community is planned and coordinated.

To further use engagement in a structured framework to improve the Government's responsiveness to the community.

To facilitate a strong community voice so that the Government and the community can interact together to develop improved decisions, policies and outcomes that are mutually owned.

7.2.2   Background

The strengthening of government-community relationships is critical in determining both government credibility and responsiveness, and community well-being. However, developing positive relationships between community and government is not straightforward due to the complexities of both. Relationships need to be actively worked on.

Community expectation

Through the Task Force's investigations it is apparent the community is seeking greater transparency and accountability from government. There is growing expectation in the community that its views will be appropriately considered and taken on board by government. It is seeking that all parts of government work together to address matters that are important to the community.

The Task Force recognises community expectations are shifting in terms of seeking deeper involvement and understanding of public policy issues, and how government policy and programs are responding to social, environmental and economic issues. In effect, the community is seeking to become a stronger participant in developing solutions to matters of mutual interest.

Public sector management

The Task Force also notes the general transition over the past decade in public sector management, with governments continuing to focus on policy development, but putting more emphasis on contracting out the delivery of essential and other services ('steering rather than rowing'). This has created a new set of relationships between the government and the community at the customer interface.

How government is managed, who the stakeholders are, and how outcomes are defined are therefore changing. For example, service providers have become an important stakeholder for government. The application of the purchaser-provider model has meant that in a number of circumstances, the distance has widened between government (which determines policy and is ultimately accountable for implementation) and the community as a stakeholder, because the provider is the intermediary. The provider now has much greater direct contact with the community.

As a result, government needs to listen and understand the community from this position. The conventional tools of government-community interaction, such as information provision and consultation, may no longer meet the fundamental needs of the community.

Moving forward

The Task Force recognises these changing community expectations require that government use more open and inclusive mechanisms, such as engagement processes.

The Task Force considers that investing in the development of meaningful consultation and engagement will produce outcomes which greater reflect the needs of the community, in both policy and service delivery. This should promote greater confidence in the decision making of government.

The Task Force holds the view that more effective consultation and engagement will provide community members with better opportunities to influence how government makes considered and informed decisions when developing local programs and services. These mechanisms also provide the opportunity for individuals and groups to take greater responsibility for, and maximise ownership of, issues and decisions.

The Task Force considers these measures will likely contribute to building the community's trust in representative government and lead to people being more actively involved.

7.2.3   Lessons Learnt in South Australia

Information provision

The Task Force found that the South Australian Government is continually improving its provision of information to the community.

The Government's ability to provide a broad range of information to the community has been significantly assisted by the Government embracing new and emerging information technology such as the Internet.

The Task Force considers that information provision will need to give greater emphasis to the community's different needs in how information is accessed including radio, press or information phone lines. Ensuring this will be assisted by the development of a whole of government information management framework (see section 5.3).

The Task Force notes the community's perception of responsiveness is affected by the following aspects of information provision, namely:

- responses to requests for information should be provided as soon as practicable in the circumstances

- as far as possible the community needs to be aware of, and have access to, information affecting them. Therefore, it is important there is a wide range of dissemination activities including information campaigns, the regular publication and distribution of printed material

- information provided to the community ought to be clear and comprehensible. Language should be tailored to the needs of those for whom it is intended (eg ensuring information is delivered in a culturally sensitive manner).

Consultation

The Task Force believes the Government has increasingly recognised the community's diversity in its consultation processes. Information provided to the Task Force suggests that the Government has increased its consultation activities in strategic and service planning to be better informed and responsive to the community. However, the Task Force was advised that despite these efforts, consultation has not necessarily satisfied the community nor has it answered a general concern about governments world wide, that they are 'out of touch' with the community.

The Task Force recognises that community dissatisfaction with consultation processes may be generated by a number of factors including the community's perception that consultation is:

- not mutually owned

- regarded as an imposed 'top down' process

- conducted for the benefit of the Government, not the community

- not coordinated across government

- tokenistic in that it is concerned with legitimising an existing or planned project or program, rather than being concerned with responsiveness to the community.

The Task Force was advised there is too much consultation on certain issues and with a number of groups within the community. Some sections of the community are therefore tiring of the process and calling for the Government to develop a more targeted and efficient process.

Evidence presented to the Task Force also suggested that consultation on occasions has been both confusing and frustrating, with little or no follow up action. This reinforces a belief in the community that the Government fails to listen.

Protocols

To meet these concerns, the Task Force believes protocols should be developed to allow more effective and appropriate levels of consultation to occur. These protocols should embody the principles of consultation being targeted, planned and better coordinated across government.

The Task Force considers the application of such protocols would further strengthen government and community relations.

Central register

The Task Force is aware that in a number of jurisdictions, governments have begun to create central registers listing consultations being carried out by government. In particular, the Task Force notes the register developed and implemented by the Australian Capital Territory Government. The Task Force considers such a register should identify all key stakeholders, include a list of issues and documents currently open for public comment, and provide information on timeframes and submission processes where relevant.   The Task Force believes the register should be accessible to the community (possibly via the internet). This register would help to reduce duplication and improve coordination across government.

The Task Force considers the central register should be located and maintained within the Department of the Premier and Cabinet. Those charged with the maintaining the register may also provide:

- information to the Government, the public and other agencies on what consultations are occurring

- advice and support to government agencies in planning and conducting effective consultation

- training to government agencies in effective consultation.

Websites

The Task Force also notes the number of web-based discussion and information sites that are currently used by the Government and departments. The Task Force considers there needs to be greater assessment of each of these sites to clarify their purpose, ensure that they do not overlap and whether their purpose meets needs of both the community and the Government.

Engagement

Community engagement supports the development of inclusive actions and decisions that promote collective responsibility and ownership.   The Task Force considers community engagement is a powerful vehicle for promoting behavioural change that may assist in improving the circumstances of the community and its members. Change is more likely to be successful and permanent when the people affected by the change are involved in initiating, implementing and promoting it.

The terms of reference for the Review referred to a number of significant government initiatives, eg Food for the Future, the Port Augusta Social Vision and Action Plan, the Southern Partnership, Playford Partnership and Partnerships 21. The Task Force and the project team undertook to speak with members of each of these initiatives and noted the dedicated commitment and belief that these people had to their respective initiatives and to community engagement as a way of working.   These initiatives all use community engagement mechanisms to facilitate their progress.

The Task Force does not propose to undertake an extensive analysis of these initiatives and the many other examples of community engagement that the Government has become a stakeholder in.   The Task Force considers it is more appropriate to identify a number of common success factors in initiatives. These include:

- **inclusiveness** – the promotion of a two way dialogue process

- **participation** – will increase when parties believe the issues are relevant and worthwhile in terms of their involvement and time

- **ownership** –people are more likely to own policies and solutions if they participate in developing them (rather than accepting those imposed by government)

- **mutual respect** – listening, understanding and acting on different experiences and perspectives

- **empowerment** – the community needs to have appropriate opportunities to participate effectively

- **readiness and capacity to contribute** –communities or individuals may be at various stages of readiness and have different capacities. The Government needs to be able to respond to the wide range of knowledge, skill and experience existing within and across communities.

The Task Force considers these success factors are complementary to, and largely reflect, the principles of community interaction outlined in section 7.3   A further examination of important factors underpinning successful partnerships, as a particular form of community engagement, is presented in **Attachment 3**.

The Task Force notes that a number of community engagement initiatives have been developed on an ad-hoc basis and do not appear to be part of a coordinated, a state-wide approach. Evidence presented to the Task Force also suggests that parties to initiatives have at times held conflicting views about the intended purpose of the initiative and each party's responsibility and involvement.

Structure for community engagement

The Task Force considers the development of a structure for community engagement would assist in addressing coordination and cooperation issues, and harness more fully the positive benefits of community engagement in South Australia. The Task Force believes that such a structure would include:

- development of a complete and well structured proposal

- formalisation of the processes to be used. This may be best addressed through the creation of a memorandum of understanding (MOU) between the Government and the community

- seeking Cabinet approval to develop the MOU and subsequently of the draft MOU negotiated with the community.

7.2.4   Recommendations

The Task Force recommends that:

104   A consultation protocol be developed by the Department of the Premier and Cabinet that provides for consultation to be targeted, planned and coordinated across government.

104   The Department of the Premier and Cabinet develop and maintain a whole of government consultation register that:

- lists consultations being carried out by the Government

- includes a list of issues and documents currently open for public comment

- provides information on timeframes and submission processes where relevant

- identifies stakeholders

- is accessible to the community, possibly via the internet.

104   The Department of the Premier and Cabinet be responsible for providing:

- information to the Government, the public and other agencies on what consultations are occurring

- advice and support to government agencies in planning and conducting effective consultation

- training to government agencies in effective consultation.

104   The Department for Administrative and Information Services be responsible for assessing web based discussion and information sites currently used by the Government and departments to ensure that these sites do not overlap and their purpose meets the needs of both the community and the Government.

104   A three part structure be used by Chief Executives for community engagement initiatives:

- develop a complete and well structured proposal, which assesses the suitability of engaging with the community and includes an assessment of:

  - risks (including political risk)

  - resource requirements (including regard for government priorities in determining what issues should proceed, and in what location)

  - community capacity (taking into account factors such as community readiness and resources).

- formalise the processes to be used through the creation of a memorandum of understanding between the Government and the community, that seeks to formalise and monitor community engagement by:

  - committing parties to common goals and modes of working

  - identifying needs and priorities and any obligations on the parties

  - committing parties to be bound by the principles of community engagement (ie inclusiveness, participation, ownership, mutual respect, empowerment and readiness) which would then become the basis to guide and monitor the relations between the community and government.

- seek Cabinet approval of the proposed community engagement memorandum of understanding through a two staged approach:

  - approval of a proposal to consult with a community for the purpose of determining the suitability of creating a draft memorandum of understanding with that community

  - subsequent approval of what has been negotiated with the community as the draft memorandum of understanding.

7.3   Important Principles for Community Interaction

7.3.1   Aim

To provide a set of principles to guide departments' interaction with the community to strengthen their relationships.

7.3.2   Defining the Principles

Having regard to the lessons learnt in section 7.2, the Task Force considers there should be a set of principles to guide interaction with the community. The Task Force believes the adoption of such principles will foster more effective ways of working and create a standard to be achieved by the public service. The following principles are equally relevant for information provision, consultation and engagement, and include:

Principle	Description
Transparency	The Government and community need to be aware of the mechanisms that will be adopted in each interaction process. Objectives and limitations of both parties need to be outlined at the start of the process. This will provide greater clarity about accountability and desired performance and will assist the parties to develop a greater understanding of where each is coming from. The principle of transparency also extends to information sharing. Open and regular communication is vital for success.
Adequate Time	Where consultation or engagement is sought with the community, adequate time is required for all steps in the process. An acceptable timeframe needs to be mutually agreed. This will provide people with the opportunity to participate as fully as possible.
Genuine Approach	Interaction cannot be tokenistic. There should be a commitment within the Government at all levels, particularly at the leadership level, to the importance of information provision, consultation and engagement with the community.
Awareness of the impacts on others	Regard should be had to the impacts on others of the decisions made through the community interaction process. The issues involved should be thought through to consider policy, logistic and resource implications. This process may in turn extend the range of information provision, consultation and engagement with the community as new interests are recognised. It will also assist in recognizing diversity.
Flexibility	Principles can be common, but one process and/or approach may not fit all. Prescriptive models are not always applicable. Flexibility in the process is essential to incorporate diverse values and interests. It is also important to adapt the process to changing circumstances.

| Inclusiveness | Effort needs to be made to ensure the inclusion of all relevant stakeholders. Care needs to be taken to include all those interested in an issue, not just those held to be representative of a particular community. For example, it is important to communicate with and involve those who are not necessarily easy to reach. Communication should be pitched appropriately. |
| Mutual respect | All parties are equally important and each should be treated with respect. One party cannot be seen as being dominant over the other and fail to adequately consider the views of the other parties. |

7.3.3   Recommendation

104   The Task Force recommends that Chief Executives ensure that community interaction within their departments are consistent with the principles of:

- transparency
- adequate time
- genuine approach
- awareness of the impact on others
- flexibility
- inclusiveness
- mutual respect.

7.4   Generic Ingredients for Successful Community Interaction

7.4.1   Aim

To ensure there is a clear understanding within the public service of the generic ingredients for productive community interaction.

7.4.2   Defining Generic Ingredients

Through its investigations the Task Force became aware of several factors underpinning successful interaction with the community, particularly in regard to consultation and engagement processes. These generic ingredients differ from the principles for community interaction in that:

- generic ingredients are the tangible elements that the Government can ensure that it delivers
- principles describe the approach and values that the Government needs to bring to the process.

The Task Force considers the generic ingredients for successful community interaction, and their implications, include:

Ingredient	Implications
Leadership and commitment to the process	There needs to be a clear vision and statement of priorities for South Australia in order for the public service to understand the purpose of interaction with the community and how this fits with the Government's objectives. Effective interaction processes should be embraced as a productive way of working. Commitment to effective community interaction is required at all levels, particularly as the Government moves from information provision through to engagement with the community.
Skill development	Increasing levels of interaction with the community will require further development of appropriate skills in this area. Technical expertise should be complemented by holistic experiences and skill sets, particularly in regard to community interaction skills. If the Government is to be responsive to the community, the ability to consult and engage with the community should no longer be regarded as a 'soft' skill. Accordingly these skills should be given greater weight in selection processes.
Clearly defined roles and responsibilities	The respective roles and responsibilities of the community and the Government need to be clearly defined and easily understood by all. The Government retains special and unique responsibilities that cannot be transferred the community. In particular, responsibility for the final decision on an issue will rest with the Government as part of its role in providing representative and accountable government. The public service is required to provide policy advice to the Government, taking into account the range of interests within the community. In doing so, it needs to look beyond the 'popularist' view to provide a balanced perspective and frank and fearless advice. Where there are several departments involved in an initiative, there should be a designated Minister and lead department.
Timely and accurate feedback	In seeking to interact, gain information and partner with the community, the Government should ensure that it provides the community with timely and accurate feedback. A process for providing feedback should be determined prior to entering into the interaction phase with the community.

Measures of success built into the process	Clear indicators need to be developed and agreed upon by the community and the Government, to determine whether interaction with the community is effective. These indicators may need to be adapted to changes in circumstances. Measures should address social, environmental and economic outcomes. The adoption of the triple bottom line reporting process is regarded as a vital tool in measuring these outcomes.
Appropriate resources	More productive interaction with the community relies on the provision of appropriate resources. Resources need to be adequate not only for implementation, but also for the development of these approaches (ie research and thinking). Failure to do this may undermine government-community relations. Ensuring adequate resources does not need to translate into a net cost increase. Rather, existing resources should be better directed towards facilitating effective interaction.
Recognition for successful community interaction	The efforts of those contributing to effective community interaction should be appropriately recognised. This may include incentives to government employees and public recognition of community participants.
Effective implementation	Successful interaction with the community entails the development of a sound policy or plan that can be implemented pragmatically. Following through on a good idea is just as important as its development. Implementation needs to be refined and adapted to meet new circumstances as they arise. Good communication is fundamental to this.

7.4.3   Recommendations

The Task force recommends that:

104   Chief Executives ensure that community interaction within their departments address the following factors:

- leadership and commitment to the process

- skill development

- clearly defined roles and responsibilities

- timely and accurate feedback

- measures of success built into the process

- appropriate resources

- recognition for successful community interaction

- effective implementation.

104   Chief Executives and the Commissioner for Public Employment ensure increased weighting is given in selection processes to community interaction skills.

7.5   Service to the Community

7.5.1   Aim

To maximise the quality and responsiveness of the Government's services to the community.

7.5.2   Introduction

The Task Force considers the community is seeking more flexible and personalised service from the public service. As a result, there needs to be a heightened focus within the public sector on customer service and a deeper understanding of customer needs and expectations. The Task Force believes improvements should be largely driven by measures of customer satisfaction. A focus on responsiveness to consumers has been the rationale for the introduction of new management processes and changes to the way that services are delivered in a number of cases.

7.5.3   Service Charters

The Task Force considers that generally within the public sector there is a commitment to serve the people of South Australia. The Task Force recognises the difficulties that have been experienced previously in the public sector in developing and implementing customer service charters, primarily because of legal considerations.

Responsive service delivery

The Task Force believes service charters are a tool to openly demonstrate public sector commitment to the community and to a more open and responsive culture in the public service. The Task Force further believes the use of service charters could aid continuous improvement in service delivery to the community and other stakeholders through a range of different mechanisms (eg formal consultation, telephone and across the counter contact or the Internet).

Legal implications

The Task Force considers customer service charters should not be prescriptive, and are not intended to confer legally enforceable rights on a client of the agency. This should be made clear through a disclaimer on each charter developed.

Constructing service charters

The Task Force believes the following important elements should be included in the creation of service charters:

- identification of the agency and customers
- the communication mechanisms to be used internally and externally
- customer service standards dealing with:
  - the quality of the relationship with the client (eg staff manner and interpersonal skills)
  - the quality of the services provided, such as responsiveness (eg availability of help in an emergency), clarity, accuracy and appropriateness
  - the timeliness of service delivery (eg the speed and efficiency of the administration of the service delivery process and the delivery of the agency's products)
- allows for customer feedback and complaints mechanisms.

Consultation

The Task Force considers the service charter should be developed and supported by a process of consultation with those affected by the charter. The Task Force also believes the service charter should be easy to read and accessible to its stakeholders.

Review

Once developed the Task Force considers that it would be appropriate to regularly review a service charter to keep it current and relevant in terms of the department's objectives and customer needs. For the service charter to be an effective tool, monitoring and reporting performance against its stated criteria should occur.

7.5.4   Ministerial Correspondence

The Task Force is aware that a significant degree of the interface between the Government and the community is through written correspondence on a wide range of matters. An increasing percentage of written correspondence is being received through electronic mechanisms, such as e-mail. The Task Force recognises that within some government agencies, policies have been established on format, standard and timelines for responses to ministerial and departmental correspondence.

Timeliness and personalised service

The Task Force considers that for most correspondence, the author should receive a response within 21 days.

The Task Force considers the public service needs to be responsive to the community in a manner that is practical for each situation. To ensure a more personalised and efficient response, the Task Force believes most written correspondence on straightforward matters could be dealt with through the appropriate officer contacting the author by telephone. The Task Force suggests that what is discussed in the conversation could be noted as a file note to record what was discussed and any actions to be taken.

The Task Force recognises that for this to work effectively, officers should be given the necessary authority, guidance and encouragement for handling responses in this manner. If a response cannot be provided within 21 days, then an explanation for this should generally be provided to the author of the correspondence within this period.

Technology

The Task Force acknowledges that some agencies are using electronic applications to track ministerial and other documentation and that some of these have been developed to enable tracking between departments (and agencies). These applications are designed to improve efficiency in handling correspondence. However, to facilitate greater efficiencies and hence responsiveness in this area, the Task Force strongly advocates the wider use of this technology in a consistent, best practice way within and across all departments and agencies.

7.5.5   Recommendations

The Task Force recommends that:

104   Each department and agency, with employee and customer involvement, develop a service charter incorporating a number of key elements including:

- identification of customers

- commitment to communicating with customers

- customer service standards

- mechanisms for regularly reviewing the charter

- monitoring and reporting of performance against the charter.

104   21 days be adopted as the maximum for responses to ministerial and departmental correspondence unless special circumstances apply.

104   Wherever possible, written correspondence on straightforward matters be dealt with through the appropriate officer contacting the author by telephone.

104   Consistent, best practice technology be adopted within and across all departments and agencies for the electronic transport and tracking of correspondence.

Chapter 8   People

8.1   Ongoing Development

8.1.1   Aim

To strengthen availability and diversity of training for all public sector employees, relevant to the skill needs of the public sector.

8.1.2   Background

The adequacy of training in the public sector and the availability of development opportunities across the public sector were raised with the Task Force on a number of occasions. Currently, many of the development opportunities appear to be skewed to younger employees. Greater recognition needs to be given to the importance of ongoing learning at all levels. Training and development should be relevant to service delivery needs; however, the Task Force has been advised that inadequate emphasis is being given by a number of agencies to ongoing training and development, at all employee levels.

Development opportunities should include training specific to the needs of specialised employees and broad training in areas and skills which are transferable.

8.1.3   Departmental Expenditure

The Task Force was provided with evidence which showed that departments provide varying levels of commitment and expenditure on training and development. In the reporting period 1 July 2000 to 30 June 2001 the percentage of training expenditure by departments, relative to total employee remuneration costs varied from 0.88% to 8.37%.

Moving forward

The Task Force considers Chief Executives must demonstrate a more uniform commitment to the ongoing development of all employees. In addition, some central guidance is required to benchmark spending, coordinate, facilitate and provide certain development opportunities. The Task Force believes the development of employees is a core responsibility of Chief Executives.

8.1.4   Performance Management

Evidence presented to the Task Force indicated an uneven application of formal, effective and enduring performance management systems. An important component of performance management is the preparation and implementation of individual development plans, which describe an employee's training and development requirements. Some departments showed a high level of commitment to performance management; however, between 1 July 2000 and 30 June 2001, employees with documented individual development plans varied across departments from 14% to 77%.

Moving forward

The Task Force believes performance management reviews should be conducted with all employees, with future training needs documented in individual development plans. The Task Force notes that the Office for the Commissioner for Public Employment (OCPE) intends to pursue greater uptake of performance management systems within departments in its future work program.

Departmental responsibilities

The Task Force believes Chief Executives should be held accountable for their existing responsibility of ensuring implementation of effective performance management in their departments.   This will require a greater focus on career planning and the creation of individual development plans.

The Task Force supports an ongoing requirement for departments and the Commissioner for Public Employment to report on progress in their annual reports.

8.1.5   Overcoming Gaps in Skills

The Task Force believes addressing the development requirements of the public sector requires significant leadership from all departments.

Moving forward

The Commissioner for Public Employment is best placed to identify gaps in skills across the public sector, such as those in financial management, human resource management, organisational development, project management and leadership.   These gaps will require Office for the Commissioner for Public Employment (OCPE) seed funding and/or OCPE provided frameworks and training to ensure that a consistent minimum standard in these areas is achieved and maintained.

8.1.6   Mentoring

Mentoring promotes the transfer of knowledge and experience and can foster greater awareness of cross government and community issues.   The Task Force acknowledges initiatives already in place such as LeadershipSA and the Women's Springboard Program, which involve mentoring.

Moving forward

The Task Force supports an increase in formal and informal mentoring programs, and the broadening of current development programs to provide greater scope for mentoring and coaching. The Task Force supports the greater use of appropriate mentors both from within the public service and from a range of business and community organisations.

8.1.7   State Wide Training Facility

The Task Force notes the importance of a suitable venue for training and development. While the Education Development Centre is an excellent facility, the Task Force has been informed that some government agencies have experienced difficulties in gaining sufficient access to this facility. The costs of hiring commercial venues for a range of development programs and planning activities are substantial.

Moving forward

To encourage commitment in government to training and development, and as a cost saving strategy, the Task Force believes it would be worthwhile to investigate the possibility of establishing a suitable state-wide training facility. The consistent availability of a suitable venue for State training may be justified, and could encourage agencies to provide more development opportunities to their employees and be at a lower cost.

8.1.8   Internships

The use of internships for experiential learning and attraction of talent to the public sector is an area the Task Force believes could be taken advantage of.   Currently, parliamentary

internships are offered to university politics students. The Office for the Commissioner for Public Employment (OCPE) also offers on the job opportunities for organisational psychology students.

Moving forward

The Task Force considers such opportunities could be expanded to include other options. The Task Force considers it may be useful for OCPE to work with departments and educational institutions to introduce a broader range of experiential learning opportunities in the public sector. Such programs would also enhance existing traineeship and graduate programs.

8.1.9   Online Learning

Opportunities to use electronic means to assist development have been provided by OCPE through their Online Learning (savvy) for Executives programs. An e-mentoring (reverse mentoring) scheme was recently trialed in a department where senior people with leadership skills, including the Minister and the Chief Executive, participated to have their information technology skills enhanced by more junior employees. The trial proved extremely successful and is now being extended in this department.

Moving forward

The Task Force supports an expansion of the On-line Learning for Executives initiative to provide online learning opportunities to a larger pool of employees. The Task Force also considers there may be opportunities to extend the e-mentoring (reverse mentoring) scheme program more broadly across the public sector.

8.1.10   Human Resource Management Capability

The Task Force was advised of concern that the lack of human resource management skills of managers is impacting on effective people management in the public sector. This is exacerbated by the level of support provided by human resource areas of agencies, which have been reduced significantly in recent years, resulting in a decrease in overall capability within agencies.

Moving forward

The Task Force notes that OCPE is addressing the level of human resource management capability in agencies though leadership development programs, and intends to identify the skill needs of human resource practitioners and develop programs to address these needs in its future work program. Notwithstanding this, the Task Force believes Chief Executives should be held accountable for their existing responsibility of ensuring effective people management in their departments. This will require a greater focus on developing human resource management capability within agencies, with appropriate resourcing of human resource areas.

8.1.11   Recommendations

The Task Force recommends that:

104   Chief Executives commit to strengthening the diversity of training for public sector employees, relevant to the skill needs of the public sector.

104   Chief Executives be held accountable for their existing responsibility to ensure effective and ongoing performance management is conducted in their departments, and that departments and the Commissioner for Public Employment continue to report on progress in their annual reports.

104   Chief Executives be held accountable for their existing responsibility to ensure effective people management in their departments through the development of human resource management capability and appropriate resourcing of human resource areas.

104   The Commissioner for Public Employment provide increased seed funding, together with frameworks and training, to ensure a consistent minimum standard is achieved and maintained in addressing identified gaps in skills across the public sector.

104   The Commissioner for Public Employment investigate the viability of establishing a state wide training facility.

104   The Commissioner for Public Employment develop and introduce structured internships in the public sector.

104   The Commissioner for Public Employment make available online learning opportunities and e-mentoring to a wider range of public sector employees.

8.2   Mobility

8.2.1   Aim

To increase the mobility of officers at all levels and to provide greater emphasis in selection processes on the breadth of experience in the public sector.

8.2.2   Introduction

A number of public sector employees spend their entire career in one or two departments, or in a specialist role. While this may be desirable in particular areas (where specialisation is required) it can make it difficult for these employees to understand the roles, responsibilities and needs of other departments, or to readily appreciate the benefits of different approaches.

8.2.3   Rotation

It has been suggested to the Task Force that the Office for Commissioner for Public Employment (OCPE), in collaboration with departments, could identify positions at all levels in the public sector appropriate for rotation, and implement a scheme to improve mobility between departments. This would serve to facilitate the development of a whole of government culture, improve interaction between departments and place a positive value on mobility.

Further opportunities for increased experiential learning may be created through the use of structured internships in the public service.

8.2.4   Exchange Programs

Another approach suggested to the Task Force for broadening the outlook and experience of public service employees was secondments and staff exchange programs involving the private sector and local government. Written and oral submissions to the Task Force raised concerns about the lack of understanding of many public service employees about business and commercial operations.

Moving forward

The Task Force believes increased interchange between public and private sectors would encourage a broader understanding and skills developments, and facilitate greater interaction and cooperation. This could include more flexible leave arrangements for people who have the opportunity to work for a period in the private sector.

Increased collaboration with the Commonwealth and local governments may also be facilitated through employee interchange. This would increase the awareness and sensitivity of state government employees to Commonwealth and local government concerns and processes, and facilitate a more collaborative development of integrated solutions.

The Task Force considers it is important that such mobility opportunities be fostered at different levels and in different occupational areas in the public sector if their impact is to have any significant effect.

8.2.5   Selection Processes

Mobility could be further encouraged through an increased weighting given in selection processes to employees with experience in a range of agencies and roles. This should extend to employees with cross government exposure through work on committees, project teams and working groups. The Task Force believes this would be instrumental in encouraging mobility, experiential learning and collaboration. This could also be done in conjunction with the creation of a human asset register (see section 5.2) for those with the experience, attributes and willingness to be involved in cross government work.

8.2.6   Recommendation

The Task Force recommends that:

104   The Commissioner for Public Employment, in collaboration with departments:

- identify positions in the public sector (at all levels) which are appropriate for rotation and then implement a rotation scheme

- develop and implement employee exchange programs and secondments between the public sector and the private sector and between state, Commonwealth and local governments

- ensure selection criteria and processes reflect the importance of cross government exposure and varied experience.

8.3   Public Sector Values and Ethics

8.3.1   Aim

To ensure all public sector employees understand the values, ethics and standards of behavior applying to the public sector.

8.3.2   Introduction

Evidence presented to the Task Force indicates that a significant number of public sector employees do not appreciate the broader role of the public sector and understand the ethics, standards of behaviour, principles underlying public sector management, and political processes. This includes the importance of responsiveness to all key stakeholders, integrity and impartiality. This has been exacerbated by the absence of a strong and consistent reinforcement of values.

8.3.3   Current Initiatives and Departmental Responsibilities

The Office for the Commissioner for Public Employment (OCPE) is currently undertaking a number of initiatives to address the issue of values and ethics. For example, OCPE has introduced a graduate induction program, using the Certificate IV in Government as a framework, which is contributing to raising such awareness. The Task Force strongly

supports this program but believes much more must be done to educate and maintain the awareness of all public sector employees.

OCPE has also recently distributed the updated *Code of Conduct for South Australian Public Sector Employees*, which provides an overview of the standards of behaviours expected of public sector employees. These standards are contained in the *Public Sector Management Act 1995*, which provides the ethical framework for all public sector employees.

The Commissioner for Public Employment has also issued a *Guideline on Ethical Conduct*, which provides expected outcomes for Chief Executives in implementing the ethical framework. OCPE is currently working with departments to develop a communication and education strategy to effectively implement the principles of the guideline. Information and training on ethics should be treated by departments as a priority.

Moving forward

The Task Force considers it is important for information to be accompanied by appropriate training and education. Notwithstanding the role of OCPE, the Task Force believes each department should demonstrate its ongoing commitment to training by giving it high priority and by encouraging open and frank discussion of ethical issues.

8.3.4   Ministerial Staff

The Task Force noted there is a general lack of understanding of the roles and responsibilities of Ministerial staff. Some Ministerial staff are contracted to the Premier under the Public Sector Management Act. For these staff, their contract document provides the principal statement of their role. The Task Force believes such contracts could be strengthened to also provide a clear statement of the responsibilities of Ministerial staff, and standards of behaviour as a public employee. The Task Force believes it is vital for these employees to be included in relevant training programs.

Other staff in Ministers offices are employees of departments under the Public Sector Management Act. The Chief Executive of the relevant department is accountable for ensuring these and all other departmental employees understand their roles and responsibilities including the ethical behaviour expected of them.

Chief Executives have an important responsibility to ensure that departmental employees in Ministers offices receive appropriate support, particularly when faced with ethical dilemmas.

8.3.5   Manual

The Task Force considers the development of a comprehensive manual covering public sector values, ethics and standards of behaviour would be beneficial. The Task Force envisages this manual would acknowledge the *Code of Conduct for South Australian Public Sector Employees*, and would be more comprehensive, involving a range of practical advice and hypothetical situations.

The manual should be placed on the Web and all public sector employees should be given a hard copy of the manual, which could include a section for recording the employee's training. The Task Force believes the manual style should be engaging to facilitate greater interest.

8.3.6   Training Programs

To further strengthen awareness of public sector values, ethics and standards of behaviour, the Task Force believes it would be useful for all training programs to cover these areas. While a number of programs already include such provisions the Task Force feel ethics should be a compulsory part of training courses at all levels, including induction programs.

The Task Force considers it is imperative that all new public sector employees are inducted according to a consistent framework.

8.3.7   Recommendations

The Task Force recommends that:

104   Chief Executives ensure adequate awareness of public sector ethics, values and standards of behaviour for all public sector employees (including Ministerial staff) through education and training.

104   The Government consider amending Ministerial staff contracts to provide a clear statement of the roles and responsibilities of Ministerial staff, and standards of behaviour as a public employee.

104   The Commissioner for Public Employment distribute to all public sector employees an engaging yet comprehensive manual, acknowledging the Code of Conduct and incorporating practical advice, hypothetical situations and a section for recording the employee's training.

104   The Commissioner for Public Employment ensure that public sector values, ethics and standards of behaviour become a compulsory part of relevant training courses at all levels and for all public sector employees, including Ministerial staff.

104   The Commissioner for Public Employment ensure that all new public sector employees are inducted within a consistent framework.

8.4   Leadership

8.4.1   Aim

To ensure the public service has strong and capable leaders with a range of appropriate skills and abilities including the ability to foster innovation, collaboration and diversity.

To ensure leadership development and succession planning are an ongoing priority.

8.4.2   Introduction

Strong and capable leadership is crucial for a responsive public service.   While acknowledging there are excellent leaders in the public service, advice to the Task Force questioned the consistent strength and quality of leadership at all levels across the public service. Issues raised included:

- appropriateness of selection [16]
- effectiveness of leadership development programs
- need for robust performance management and agreements.

The Task Force was advised that collaborative requirements and managing diversity are often given insufficient attention in selection criteria, and employment arrangements (eg contracts and performance agreements). Currently, leaders need only to 'protect their patch' to be regarded as successful.

The Task Force believes leadership is paramount in creating a culture of collaboration, innovation and responsible risk management.

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[16] For example, the task force was advised that only 26% of executives employed under the *Public Sector Management Act 1995,* are women.

8.4.3   Leadership Development

The Task Force was advised that a concerted effort has been made recently to ensure leadership development is a priority through the Office for the Commissioner for Public Employment (OCPE) funded and driven LeadershipSA initiative and the introduction of a benchmark for expenditure on management and leadership development. Several departments have also introduced local leadership programs with some success. Departmental commitment to meeting the benchmark has been mixed, with only one agency reaching the set target in the last financial year.

The LeadershipSA initiative was established to create a focus on developing leaders and managers at all levels in the public sector. As at February 2002, 600 public sector employees had participated in LeadershipSA; however, there remains a significantly large group of public sector employees who would benefit from leadership training in the future.

Moving forward

The Task Force believes Chief Executives must give a higher priority to investing in future leaders and comprehensive succession planning. The Task Force understands that the public service generally is not accessing some of the better quality management development programs available.

The Task Force supports the continuation and strengthening of the LeadershipSA program. Notwithstanding this, the Office for the Commissioner for Public Employment (OCPE) should continue to work collaboratively with departments to facilitate coordination of internal development programs and ensure that leadership development is a high and long term priority. This should include leadership training incorporating a focus on the development of the organisation and its people.

8.4.4   Succession Planning

Succession planning is critical for the public sector, given that the workforce is aging and many senior managers and executives are approaching retirement age. OCPE estimates that up to 47% of the existing public service workforce will be aged 55 years or over by 2010. The need to invest in the future leaders of the public sector is paramount.

Moving forward

The Task Force considers it essential for leadership development to take place within the context of succession planning. The Task Force believes succession planning should be a requirement in Chief Executives' performance agreements (see section 5.2).

The Task Force believes Chief Executives should be responsible for developing leadership capability for at least the next two levels below the chief executive and in relation to future human resource requirements, particularly at a management level.

8.4.5   Selection

Evidence presented to the Task Force has shown there is insufficient attention given to planning for future requirements, and to recruiting leaders who have a range of highly developed skills and diverse backgrounds and experiences.

Moving forward

The Task Force considers job and person specifications should place greater emphasis on skills and achievements in collaboration, innovation, managing diversity and risk management. Care should be taken to ensure selection criteria match the actual requirements of the job.

Development of future leaders may also be assisted by a broadening of current programs to include greater provisions for mentoring and coaching and a more robust development and application of performance agreements (see section 5.2).

8.4.6   Executives on the Unattached List

Placement of executives on the unattached list is not supported by the Task Force. The Task Force believes such executives should be usefully employed in a productive manner commensurate with their knowledge and expertise. The current process is debilitating for the individual and has a negative influence on the broader public sector.

8.4.7   Recommendations

The Task Force recommends that:

104   The Government strengthen its commitment to leadership development in the public sector through the allocation of ongoing additional funding to LeadershipSA and other appropriate programs.

104   Chief Executives meet the benchmark set by the Commissioner for Public Employment for expenditure on management and leadership development through a wider range of programs of an appropriate standard to meet specific needs.

104   Chief Executives and the Commissioner for Public Employment ensure that the recruitment and development of leaders place greater emphasis on:

- skills in collaboration, innovation, managing diversity and risk management

- the importance of diversity in succession planning and leadership for a representative and responsive public sector.

104   The Commissioner for Public Employment ensure that LeadershipSA and other programs continue to provide scope for mentoring across departments, paying particular attention to incorporating community and business mentors.

104   Further, placement of executives on the unattached list is not supported by the Task Force and it is believed that such executives should be usefully employed in a productive manner commensurate with their knowledge and expertise. The current process is debilitating for the individual and casts a negative influence on the broader public sector.

Chapter 9   Roles and Responsibilities of Departments

9.1.1   Aim

To reinforce roles and responsibilities of all departments to achieve the Government's priorities.

9.1.2   Introduction

The Government relies on the commitment and collaboration of all departments to achieve its outcomes and priorities through responsive interaction with the community. All departments are responsible for a comprehensive range of functions and for managing resources essential to the delivery of the Government's commitments.

9.1.3   Accountability

The Task Force has emphasised departmental accountabilities throughout this Report. The Task Force has proposed ways to clarify and reinforce these accountabilities to achieve more effective whole of government responses. In this, the Task Force has emphasised the importance of 'horizontal' responsibilities for cross government outcomes, in addition to existing 'vertical' accountabilities within individual departments.

9.1.4   Culture

The Task Force believes it is not structures nor mechanisms that prevent or enable collaborative development of policies and programs, it is culture. Chief Executives must take responsibility to encourage a culture of collaboration, innovation and effective management of risk to ensure that departments are responsive to the needs of the Government, community and other stakeholders.

9.1.5   Community Interaction

Effective interaction with the community is paramount for departments to fulfil their roles and responsibilities. Departments deliver services to the community and conduct the majority of public consultation and engagement activities on behalf of Government.

9.1.6   People

The Task Force also supports a greater focus in all departments on people development. The current age profile of the public service means succession planning must be a priority. Increased mobility and experiential learning can be tools to help overcome a 'silo mentality'.

Government needs to work together as one and it is important for this to be reinforced all levels.

9.2   Role of Central Agencies

9.2.1   Introduction

The Task Force considers that achieving the Review's objectives will rely on all departments making an effective contribution, and on strong leadership from central agencies, in particular the Department of the Premier and Cabinet. The Task Force believes such leadership must be collaborative and facilitative rather than controlling. Central agencies need to work with and support other departments to achieve the Government's objectives.

For this Review, the central agencies considered are the Department of the Premier and Cabinet, Department of Treasury and Finance, and the Crown Solicitor's Office in the Attorney-General's Department.

9.3   Department of the Premier and Cabinet

9.3.1   Aim

To ensure the Department of the Premier and Cabinet takes leadership in driving whole of government strategic priorities and evaluating progress through:

- providing leadership in whole of government strategic planning and policy development

- collaborating with and empowering other departments

- reinforcing departments' accountabilities and responsiveness.

9.3.2   Introduction

The Department of the Premier and Cabinet (DPC) has a fundamental leadership role in the public sector. This applies particularly to the provision of whole of government policy advice and strategic planning, and supporting the development and implementation of cross government programs. DPC also provides leadership on emerging issues and opportunities at the whole of government level. It is well placed to foster effective collaboration across government. The Task Force supports strengthening of the DPC role in these areas.

9.3.3   Proactive and Collaborative Approach

Currently, the public sector tends to operate as a number of separate units rather than a united entity. The Task Force has been advised that this has limited the scope for the best implementation of certain cross government initiatives and restricted more focused and cost effective action in some cases.

Moving Forward

A more proactive approach to collaboration and coordination by DPC would help achieve whole of government outcomes. This could be achieved through driving whole of government initiatives and supporting other departments in such endeavors.

9.3.4   Driving Whole of Government Initiatives

DPC has the opportunity to play a more active role in driving and evaluating cross government policies and programs. DPC may drive some whole of government programs on an ongoing basis. The status and whole of government perspective provided by a DPC lead can be advantageous when pursuing these initiatives (eg. the Social Inclusion Unit). In other cases DPC may, at an appropriate time, transfer leadership responsibility to the agreed lead department. There are also a number of whole of government programs that are driven by other departments.

9.3.5   Supporting Other Departments

The Task Force advocates that the Department of the Premier and Cabinet (DPC) continues to respect and support the role of other departments. As there can be tension between central agencies and other departments, this tension needs to be positive and based on clear accountabilities, mutual respect and collaboration. DPC's role is to facilitate integrated solutions through strong leadership and empowering rather than seeking to control.

Moving forward

This leadership can be provided by:

- coordinating a whole of government strategic planning framework and policy development

- oversighting processes to ensure that they are effective, efficient and achieve whole of government objectives

- ensuring cross government objectives are clearly articulated

- facilitating the resolution of any conflicts between departments and promoting open and transparent debate

- monitoring progress of cross government work

- providing appropriate and helpful feedback

- clarifying governance arrangements, in particular roles, responsibilities and relationships.

Other specific roles that the Task Force envisages for DPC are discussed elsewhere in this report.

9.3.6   Resources and Expertise

The fundamental leadership role of DPC envisaged by the Task Force will require particular skills and expertise (eg collaborative and interpersonal skills, problem solving and leadership).

Moving forward

To this end, the Task Force believes the skills and attributes within DPC should be assessed and gaps identified. These gaps can be filled using secondments where appropriate from other departments, and through training and development within DPC.

9.3.7   Recommendations

The Task Force recommends that:

104   The Department of the Premier and Cabinet take leadership in driving whole of government strategic priorities and evaluating progress through:

- providing leadership in whole of government strategic planning and policy development

- collaborating with and empowering other departments

- reinforcing departments' accountabilities and responsiveness.

104   The Department of the Premier and Cabinet be adequately resourced with appropriate skills and expertise to undertake this leadership role, using secondments where appropriate from other departments, and through training and development within the Department of the Premier and Cabinet.

9.4   Department of Treasury and Finance

9.4.1   Aim

To support the role of the Department of Treasury and Finance in providing fiscal and budgetary advice to the Government.

9.4.2   Introduction

The role of the Department of Treasury and Finance (DTF) is crucial as manager of the State's finances and provider of fiscal and budgetary advice to Cabinet. DTF is responsible for implementation of resource allocation for all Government programs. It also provides a number of financial services, including revenue collection, superannuation services and insurance services.

9.4.3   Role in Policy Development and Priority Setting

While DTF advice is crucial, strengthening the role of the Department of the Premier and Cabinet (DPC) in the provision of whole of government policy advice and priority setting makes it essential to find a balance between the respective roles of DPC and DTF. Evidence to the Task Force suggested that in many cases, there has been an economic focus in policy advice and priority setting, at the expense of a more balanced approach. In comparison with other states and the Commonwealth, DPC has only played a lesser role in whole of government strategic planning and policy development.

Moving forward

The Task Force believes DPC must regain whole of government strategic planning and policy development roles.

9.4.4   Advice to Cabinet

Notwithstanding the above, the Task Force believes the role of DTF in testing the funding assumptions in cabinet submissions is crucial to the proper functioning of Cabinet and Government.

DTF's ability to adequately test the financial implications in some cabinet submissions has been constrained by other departments' inadequate consultation and failure to adhere to the 10-day rule.

Moving forward

The Task Force believes the department/agency responsible for the proposal should get sign off from the Department of Treasury and Finance on the proposal's funding implications prior to the completion and signing in of the cabinet submission. In doing so, it is not intended the Department of Treasury and Finance would need to support the proposal as such, but rather agree that the assumptions underpinning the cost estimates appear to be robust and reasonable.

9.4.5   Relationships with Other Departments

The Task Force believes it is appropriate for DTF to take a more facilitative and collaborative approach to its dealings with other departments. The Task Force has been advised there is perception within the public sector that DTF often takes an adversarial approach and tends to block initiatives, rather than assisting departments to make them happen. The Task Force believes this is not necessarily confined to DTF – constructive relationships must be built by all participants.

Moving forward

The Task Force considers DTF could be more active in assisting departments with their initiatives. It is well placed to promote the need for appropriate financial management skills across the public service. DTF has a key role to play in promoting training in departments and assisting them with financial management and budget processes.

The Task Force advocates that DTF and departments build closer working relationships and gain a greater understanding of respective policy pressures, processes and constraints. This would allow DTF to provide departments with a clearer picture of the state of the budget to allow for more realistic proposals and expectations.

Providing feedback should not be restricted to the budget process and would be instrumental in assisting departments to comply with DTF reporting requirements.

9.4.6   Fiscal Monitoring

The Department of Treasury and Finance (DTF) currently requests monthly reports from departments to assist with fiscal monitoring. However, the Task Force has been informed that some departments do not comply in a timely and complete manner. To ensure Cabinet is not presented with unexpected shocks and recurring carryover problems, departmental cooperation with DTF and compliance with its reporting requirements are essential for maintaining fiscal discipline.

Moving forward

Where a department's capability to comply is an issue, assistance should be provided by DTF. Such assistance and more constructive relationships may be fostered through staff exchanges, more inclusive and personalised training programs and incentives.

The Task Force believes incentives could be provided by allowing departments to retain a percentage of savings when they make efficiencies and savings. This would also encourage full disclosure by departments.

9.4.7   Forward Estimates

DTF has acknowledged that at present, forward estimates do not adequately recognise demand changes and pressures specific to particular sectors or programs. The provision of more accurate forward estimates will ensure Cabinet receives better advice on future saving possibilities and the ongoing feasibility of existing policy settings.

Moving forward

DTF is proposing to develop forward estimates that more accurately reflect the current policy setting. The Task Force strongly supports this initiative and considers it would be strengthened through DTF working closely with other departments.

9.4.8   Recommendations

The Task Force recommends that:

104   The Department of Treasury and Finance adopt a more facilitative, collaborative and proactive approach and develop close working relationships with departments, including:

- staff exchanges
- training programs
- incentives (including departments keeping a percentage of efficiency savings)
- provision of information on the budget position and financial constraints.

104   The Department of Treasury and Finance work closely with other departments/agencies to develop forward estimates that more accurately reflect the current policy setting.

9.5   Attorney-General's Department – Crown Solicitor's Office

9.5.1   Aim

To reinforce the role of the Crown Solicitor's Office as a provider of high quality, timely legal services and to stabilise the increasing work pressure on the Crown Solicitor's Office.

To provide departments with greater choice in the provider of their legal services.

9.5.2   Current Environment

Traditionally, legal services have been provided to the Government by the Crown Solicitor's Office. Treasurer's Instruction 10 reinforces this approach by requiring public authorities to use the Crown Solicitor's Office for their legal services. This Instruction also provides that before a public authority engages a private practitioner, the Chief Executive of the public authority must seek the advice of the Crown Solicitor

The Task Force has become aware that for a variety of reasons, some departments are dissatisfied with their inability to choose their legal service providers.

Changing arrangements

This dissatisfaction is further compounded by the charging arrangements, to which the Crown Solicitor's Office must adhere. The Crown Solicitor's Office does not charge core government agencies for legal work. However, those agencies that are corporatised, those engaged in substantial commercial activity or those selling assets in a commercial manner are charged.

The Task Force has been made aware that the current charging arrangements are also unsatisfactory to the Crown Solicitor's Office as there is no limitation on the extent of unpaid work that the Crown Solicitor's Office is asked to perform. This raises concerns regarding the Crown Solicitor's Office's capacity to provide timely advice on both paid and unpaid work.

Workload

The volume of legal work sought by the Government is steadily increasing due to several factors including:

- increased litigation in the community
- increased reliance on legal advice as a means of mitigating risk to government departments where the issue may be one of exercising managerial discretion.

The Task Force was informed that the growing demand for the services of the Crown Solicitor's Office is placing unreasonable demands on it. How the Crown Solicitor's Office can continue to plan for this demand is becoming increasingly difficult.

The Task Force considers that action is required to address the increased pressures on the Crown Solicitor's Office. This should include:

- implementing cross charging for the services provided by the Crown Solicitor's Office.
- departments having a choice as to the provider of their legal services, with the exception of certain legal work being retained by, or 'tied' to, the Crown Solicitor's Office.

9.5.3   Moving Forward

Cross charging

The Task Force considers the following principles should apply in a cross charging scheme:

- competitive neutrality principles, to ensure that the Crown Solicitor's Office does not enjoy any competitive advantage over private legal service providers by virtue of its government ownership

- a legal budget allocation to agencies each year, for purchasing legal services from the Crown Solicitor's Office or from a private legal service provider

- fees for non-tied legal work charged to a fund, managed by the Attorney-General's Department

- clear instructions by the Attorney-General on managing the provision of legal services to the Government. These instructions would apply regardless of whether the work is undertaken by the Crown Solicitor's Office, private legal firms or counsel. All agencies and their selected legal providers would be subject to these instructions.

- provision of agency support as appropriate to implement and monitor these changes. This may require a unit, reporting to the Attorney-General, to assist the development of these instructions and monitoring their use. This unit could also assist agencies in the operation of these instructions, including the management of their legal purchasing decisions (eg advice on contracting principles and risk management).

Tied legal work

The Task Force considers tied legal work may include that which:

- raises issues fundamental to the responsibilities of the Government (as appropriately determined by the Attorney-General) because of the very nature of the importance of these matters

- arises from the Attorney-General's responsibilities (eg the Attorney-General has direct and personal responsibilities for legal services in relation to core executive activity of the Government, such as legal advice to Cabinet, advice on cabinet submissions and draft legislation)

- has implications for the Government beyond the agency involved in seeking the legal advice (eg whole of government implications, such as litigation that may set a precedent affecting the operations of more than one agency)

- involves the constitutional powers and privileges of the State and/or the Commonwealth.

The Task Force believes maintaining these tied areas of work will achieve a consistent, whole of government approach to the interpretation and application of these tied areas of law. The Task Force further believes the Government's financial and legal interests will be protected.

Ongoing role and relationships

The Task Force considers such an approach would allow the Crown Solicitor's Office to provide high quality, timely legal services to the Government. Implementation of the proposed changes would encourage agencies to use legal services appropriately, and to stay within their legal budget allocations. These proposals complement the recommendations on risk management (see sections 6.1 and 6.2).

The Task Force anticipates the Crown Solicitor's Office would still be used by agencies in the majority of cases because of its particular specialisation in government work and its strong corporate memory. The Task Force notes that any reform of the system for the provision of legal services to the Government must adequately take into account the role and functions of the Attorney-General, including that of First Law Officer of the State.

9.5.4   Recommendations

The Task Force recommends that:

104   The Attorney-General's Department implement cross charging to all agencies for the services provided annually by the Crown Solicitor's Office.

104   The Attorney-General's Department transfer associated budget funding from the Crown Solicitor's Office to the budget of agencies to purchase legal services, with the net cost being the same.

104   The Attorney-General's Department allow agencies to choose the provider(s) of their legal services, with tied legal work being retained by the Crown Solicitor's Office.

104   The Attorney-General's Department define tied legal work (subject to the approval of the Attorney-General) as that which:

- is fundamental to the responsibilities of government

- arises from the Attorney-General's responsibilities

- has implications for government beyond the agency involved in seeking the legal advice

- involves the constitutional powers and privileges of the State and/or the Commonwealth.

104   The Attorney-General's Department establish a core fund, managed by the Attorney-General's Department, to cover the cost of tied legal work.

104   The Attorney-General's Department implement competitive neutrality principles to ensure the Crown Solicitor's Office does not enjoy any competitive advantage over private legal service providers by virtue of its government ownership.

104   The Attorney-General's Department develop protocols for the consideration of the Attorney-General on managing the provision of legal services, and that these protocols apply to all agencies and their chosen legal service provider(s).

104   The Attorney-General's Department provide agency support as appropriate to implement and monitor these changes.

Chapter 10 Implementation

10.1.1 Aim

To ensure timely implementation of those Task Force recommendations adopted by the Government, with whole of government oversight by the Department of the Premier and Cabinet.

10.1.2 Discussion

The Task Force's recommendations for future action are consolidated in Chapter 11 of the report. Individual responsibilities are made clear. However, achieving the desired outcomes of this review will require commitment at all levels across the public sector to embrace and actively follow through on the recommendations.

Notwithstanding individual ownership, the Department of the Premier and Cabinet is best placed to provide whole of government oversight of progress and to assist agencies in implementing relevant recommendations. The Task Force believes a formal report or 'scorecard' on progress should be provided to Cabinet every six months, with key stakeholder/community input as appropriate.

To facilitate this, the Task Force believes it would be valuable for the Senior Management Council to regularly discuss implementation and possible strategies to address any impediments.

Monitoring and evaluating the efficiency and effectiveness of key processes across government is important to ensure the momentum of this Review is maintained and continuous improvement becomes an integral part of government business. The Task Force considers this is an appropriate function of the Department of the Premier and Cabinet in collaboration with other departments.

10.1.3 Recommendations

The Task Force recommends that:

104   The Department of the Premier and Cabinet provide whole of government oversight of progress and assist agencies in implementing relevant Task Force recommendations.

104   The Department of the Premier and Cabinet provide a formal report or 'scorecard' on progress in implementing the Task Force's recommendations to Cabinet every six months, with key stakeholder/community input as appropriate.

104   The Department of the Premier and Cabinet, in collaboration with other agencies, monitor and evaluate the efficiency and effectiveness of key processes across government and ensure continuous improvement becomes an integral part of government business.

104   The Senior Management Council regularly discuss progress in implementing the Task Force's recommendations and possible strategies to address any impediments.

Chapter 11   Recommendations

The Task Force's recommendations are presented in this chapter in sequential order.

Governance   (Chapter 3)

The Task Force recommends that:

1   The Department of the Premier and Cabinet review existing documented statements on the roles, accountabilities and relationships (including delegations) between the key participants of governance arrangements (namely, Cabinet, Cabinet Committees, individual Ministers, Senior Management Council, portfolio/departmental Chief Executives) to identify and address any gaps, overlaps and lack of clarity.

2   The Department of the Premier and Cabinet coordinate the development of a governance framework for consideration by the Government, which brings the key elements of governance together in a meaningful way, including:

- Government's vision and key objectives

- policies on the definition and management of public sector performance (including key values, expected behaviours and priority success indicators with a focus on achieving outcomes, developing competencies, and building relationships)

- roles, accountabilities, relationships and operating policies between all key participants in the governance arrangements

- mechanisms to establish and review strategies, policies and monitoring techniques

- mechanisms to regularly review governance and accountability practices, processes and structures.

3   The Department of the Premier and Cabinet, in conjunction with the Commissioner for Public Employment, develop and implement a program to raise awareness and understanding in the public sector of the governance arrangements and the role and functions of Parliament.

Priority Setting   (Chapter 4)

Forward Thinking and Planning   (4.1)

4   The Task Force recommends that the Department of the Premier and Cabinet develops a whole of government strategic planning framework and process, which ensures that:

- the Government's vision, priorities, outcomes and performance measures are clearly defined

- the Government's vision, priorities and performance measures are developed collaboratively by providing opportunities for involving the community, departments and advisory boards

- the Government's vision, priorities and outcomes are clearly communicated to the public sector and the community

- the Government's vision, priorities and outcomes drive development of departmental planning and budget bids

- there is a disciplined application of triple bottom line principles

- there is robust consideration and management of risks.

Budget Process   (4.2)

The Task Force recommends that:

5   Departments ensure their budget bids are clearly linked with, and driven by, whole of government strategic priorities and specified outcomes.

6   Budget allocations be assessed by the Expenditure Review and Budget Committee at a cross government level and at departmental level.

7   Budget allocations at the cross government level be directed to those initiatives demonstrating commitment to whole of government priorities and developed through joint departmental submissions to the Expenditure Review and Budget Committee.

8   Budget Papers distinguish between cross government allocations and individual departmental allocations.

9   Budget headroom meetings be abolished, with no funding approvals outside of the annual budget process unless the Premier and the Treasurer agree on an exceptions basis.

Capital Investment Program   (4.3)

The Task Force recommends that:

10   A Capital Investment Committee of Cabinet be established to:

- determine the three year capital investment program as part of the budget process

- undertake medium to long term planning for capital investment

- oversee major and other large capital investment projects

- consider financing proposals for capital investment, including public private partnerships, within the agreed appropriation of any given budget

- consider major industry incentive or assistance schemes where they involve capital investment

- consider the potential role of the Commonwealth Government in any major capital investment.

11   The Capital Investment Committee involve :

- the Premier and Minister for Economic Development (Chair)

- Treasurer and Minister for Industry, Investment and Trade

- Minister for Transport

- Minister for Employment, Training and Further Education

- Minister for Urban Development and Planning and Minister for Administrative Services.

12   The Capital Investment Committee be provided with adequate support through:

- participation of relevant senior public sector employees in the deliberations of the Committee to the extent that is appropriate to help ensure that all necessary expertise and experience is brought to bear on issues

- an inter-agency secretariat located in the Department of the Premier and Cabinet and comprising officers from the Department of the Premier and Cabinet, Department of Treasury and Finance, Department for Administrative and Information Services, and other relevant agencies.

13   Capital investment priorities be based on:

- a multi-lateral, cross government analysis of capital investment proposals, in addition to an examination of specific departmental requirements, to help determine the needs of, and priorities between, different classes of assets in different portfolios

- a holistic, total lifecycle approach that encompasses appropriate consideration of all key elements of a capital investment program, namely the development of new assets, maintenance of existing assets, and the disposal of surplus assets.

14   Departments report quarterly on progress in capital investment to the Capital Investment Committee's secretariat located in the Department of the Premier and Cabinet.

15   The Capital Investment Committee develop and maintain a long term capital investment plan.

16   The Department of Treasury and Finance coordinate a review of relevant approval processes for public private partnerships with input from all relevant departments, and that the Capital Investment Committee consider the review's findings.

Government Working Together   (Chapter 5)

Processes Supporting Cabinet   (5.1)

The Task Force recommends that:

17   Chief Executives be held accountable for their existing responsibility of ensuring that cabinet submissions meet appropriate standards with respect to consultation and adequacy of information, including an assessment of risks (social and environmental as well as financial and economic).

18   Cabinet Office be given the authority of the Premier to refer back to the relevant Minister any signed cabinet submissions not meeting appropriate standards with respect to consultation and adequacy of information (including risk assessment).

19   Each cabinet submission contain a concise implementation plan for the proposal, the key features of which include:

- financial implications (eg funds required each year by the proposal and how approval of the project will affect the forward estimates)

- timing of milestones/ key points of project implementation

- appropriate mechanisms for review at these milestones and feedback to Cabinet and/or other relevant bodies.

20   Prior to the completion and signing in of a cabinet submission, the department/agency responsible for the proposal get sign off from the Department of Treasury and Finance on the proposal's funding implications and impact on the current budget.

21   The 10-day rule for cabinet submissions be strictly enforced by Cabinet Office with the authority of the Premier and that late cabinet submissions only be accepted in exceptional circumstances and only with the authority of the Premier.

22   The final agenda for each Cabinet meeting be determined by the Premier, with the advice of the Chief Executive, Department of the Premier and Cabinet.

23   Cabinet Office be given the authority of the Premier to refer back to the relevant Minister any signed cabinet notes addressing issues more appropriately the subject of cabinet submissions.

24   Cabinet consider the weekly Executive Council meeting be attended by only two Ministers, determined on a roster basis if necessary.

25   Without breaching Cabinet confidentiality, a concise, formal record of Cabinet decisions be prepared in sufficient detail to allow the public sector to put into effect Cabinet's decisions in a timely and effective manner. A copy of each record be provided directly to all departmental Chief Executives, as well as Cabinet Ministers.

26   In normal circumstances, no public announcements on major projects and other matters be made prior to the completion of adequate upfront planning and analysis and prior to any required consideration by Cabinet and its endorsement of the timing and form of the announcement.

27   Clear terms of reference and consistent modus operandi be provided for each Cabinet Committee, including a clear description of any decision-making powers delegated by the Premier.

28   Relevant senior public sector employees participate in the deliberations of Cabinet Committees to the extent that is appropriate to help ensure that all the necessary expertise and experience is brought to bear on issues prior to their consideration by Cabinet.

29   Each Cabinet Committee be supported by an adequately resourced secretariat comprising appropriate officers from both central agencies and other relevant departments.

30   The Cabinet Handbook be formally updated by the Department of the Premier and Cabinet as a matter of urgency.

31   An enhanced program of training of the public sector be provided by the Department of the Premier and Cabinet on the role and importance of Cabinet and on cabinet procedures, with priority given to completing the first round of training within six to twelve months of the release of the revised Cabinet Handbook.

32   Effective mechanisms be developed by the Department of the Premier and Cabinet for regularly disseminating information to agencies on cabinet procedures and other requirements after the revised Cabinet Handbook is released.

Whole of Government Initiatives   (5.2)

The Task Force recommends that:

33   The use of designated Ministers and lead departments for whole of government initiatives be strengthened.

34   All Chief Executives have a performance agreement which, among other things:

- is negotiated with the Minister
- is signed off by the Premier or the Minister under delegation
- is monitored by the Commissioner for Public Employment
- specifies a Chief Executive's accountability for achieving certain whole of government outcomes as well as for managing an administrative unit
- specifies a Chief Executive's responsibility for consulting and collaborating with external stakeholders and other government departments
- includes requirements to conduct thorough succession planning
- is properly managed, effective and meaningful
- spells out what that Chief Executive is required to achieve.

35   For major whole of government programs, a memorandum of understanding be established between relevant departments, that clarifies:

- scope of the program

- designated and support Ministers and lead departments

- outcomes, targets and progress measures

- Ministerial and Chief Executive responsibilities

- funding contributions

- timeframes

- external party links (if involved).

36   The *Public Sector Management Act 1995* be amended to specify a Chief Executive's accountabilities for coordinating and delivering whole of government outcomes, in addition to the existing responsibility for an administrative unit/ department.

37   Financial resources, allocated or pooled, for whole of government initiatives be provided where appropriate to the lead department, and that there be flexibility in how the financial resources are expended by support departments, but with robust reporting and monitoring of spending.

38   Members of project teams and working groups for particularly complex or sensitive projects be located together and relieved of their day to day responsibilities in their home department for the duration of the project.

39   The Commissioner for Public Employment develop a human asset register identifying:

- those most qualified for cross government work

- accredited project directors and managers

- those most qualified for community interaction activities.

40   There be wider application of triple bottom line reporting and that this take place within a consistent framework.

41   The role of the Senior Management Council be formalised with the imprimatur of the Premier and through clear terms of reference and a modus operandi which outline:

- the role of the Senior Management Council (to include information exchange and leadership for the coordination of issues which impact across the public sector)

- the membership of the Senior Management Council (at least one representative for each Cabinet Minister and the Commissioner for Public Employment

- the relationship with the Government and the Premier (to include regular meetings between the Senior Management Council and the Premier).

42   Performance measures be built into all whole of government initiatives, which incorporate opportunities for community and stakeholder input.

Managing Knowledge   (5.3)

The Task Force recommends that:

43   The Department for Administrative and Information Services leads government work to develop and implement a whole of government knowledge management strategy and framework, involving focus on:

- human resources – promoting a culture that supports knowledge sharing, collaboration and innovation (eg succession planning, communities of interest, experiential learning)

- systems and processes – providing enabling processes, technologies and common systems and frameworks (eg integrating systems and processes (where appropriate), managing information)

- networks and external sources – leveraging the use and value of knowledge from outside the public sector (eg service providers, suppliers, advisory bodies, broader community).

44   The Department for Administrative and Information Services ensure that its information management framework can be extended for whole of government use.

45   The Department of the Premier and Cabinet coordinate a short review of reporting requirements and information requests and make recommendations on eliminating any duplication.

Shared Services   (5.4)

46   The Task Force recommends that shared services be expanded to a larger group of agencies to achieve further economies of scale, efficiency savings and more flexibility in the restructure of government agencies, and to facilitate interagency cooperation.

Integrated Service Delivery   (5.6)

47   The Task Force recommends that service delivery of the kind offered by Service SA be extended to include more state agencies, and local and Commonwealth Government services as appropriate.

Prudential Management   (Chapter 6)

Managing Risk   (6.1)

The Task Force recommends that:

48   The Premier and Treasurer jointly affirm the importance of effective risk management in the public sector, and that by updating and reissuing the Government's Risk Management Policy reaffirm it is the responsibility of Chief Executives to implement risk management standards and practices in the areas for which they are accountable.

49   Each submission to Cabinet be required to include:

- appropriately detailed information on the identification, assessment, and planned management of risks associated with the proposal

- clarification of the roles and accountabilities for risk management in those cases where more than one Minister and/or department or agency are involved in the delivery of a service or major project.

50   Chief Executives implement practices to ensure that consistent risk identification, assessment and management standards are applied in their departments and agencies whenever significant proposals are being submitted to a relevant Minister for decision, or are being considered internally within the department/agency.

51   Chief Executives, as part of their performance agreements with their Ministers, be required to report on the risk management standards and practices implemented within their department or agency.

52   Chief Executives nominate an executive as Coordinator for Risk Management to reflect and promote their personal commitment to risk management and to enhance the commitment of staff and employees to a culture of effective risk management.

53   All Executives, as part of their performance agreements with their Chief Executives, be required to report on the risk management standards and practices implemented by them in the areas for which they are accountable.

54   Steps be taken as necessary in departments and agencies to expand the promotion and training of managers and staff at all levels in risk management processes, including the benefits those processes can bring in service delivery and project management.

Legal Services   (6.2)

The Task Force recommends that:

55   Each department develop and implement protocols that:

- ensure that requests for legal services are addressed within the context of the department's risk management framework

- lead to the skillful and accurate preparation of the brief for legal services.

56   All requests for legal services be signed off by the Chief Executive of the relevant department (or the Chief Executive's delegate).

Major and Large Capital Investment Projects   (6.3)

The Task Force recommends that:

57   The Capital Investment Committee consider major and large capital investment projects in excess of $10 million or at a lower amount as determined by the Committee:

- at the outset of each proposed project and at other key milestones/ decision points as appropriate prior to construction, including the concept evaluation stage

- before any necessary referral to full Cabinet

- by monitoring progress as appropriate during the construction phase.

58   At the outset of each major or large capital investment proposal in excess $10 million or at a lower amount as determined by the Capital Investment Committee, an initiating project brief be prepared by the relevant department and forwarded to the Capital Investment Committee for a determination of:

- the status of a project (whether major or otherwise)

- the appropriate approval process for the project (including assigning responsibility for auditing projects at key milestones/decision points, and determining the timing of any necessary consideration by Cabinet)

- the designated Minister, lead department, and project director

- appropriate and clear delegations.

59   The initiating project brief provide sufficient information to allow the Capital Investment Committee to have a good understanding of all major aspects of the proposed project including its:

- key components and timelines

- initial estimated costs and underlying assumptions, the validity of which is signed off by the Department of Treasury and Finance

- complexity and risks (including social and environmental implications as well as financial risks)

- any legislative requirements

- clear links to the Government's objectives as indicated in its strategic plan.

60   The threshold for Cabinet approval of public sector initiatives at the concept evaluation stage be increased to an estimated cost of $10 million for the initiative and that Ministerial approval limits be increased to up to this amount.

61   Other delegations in Treasurer's Instructions 8 and 17 be reviewed to ensure they are consistent with efficient and effective processes and can be tailored to the meet the needs of individual departments.

62   Chief Executives of sponsor departments be held accountable for existing responsibilities with respect to quality control, risk management, expenditure control and timelines of major and other projects.

63   The Department of the Premier and Cabinet coordinate the development of a whole of government framework for the audit of projects at agreed key milestones/decision points.

64   The Prudential Management Group be abolished.

65   The team supporting the Prudential Management Group be retained but relocated to the Department of the Premier and Cabinet and that this Prudential Management Team be assigned the following roles:

- to audit major or special projects at key milestones/decision points as directed by the Capital Investment Committee of Cabinet

- to provide advice as necessary to agencies on prudential management

- to enhance the understanding and skills of the public sector in prudential management in conjunction with the Office for the Commissioner for Public Employment.

66   The Prudential Management Team be adequately resourced to undertake the roles outlined in the previous recommendation, including expertise in business management, procurement, contract and project management to complement existing expertise.

67   The central agency acquittals currently described in DPC Circular 15 be reviewed and clarified by the Department of the Premier and Cabinet.

68   The Acquittals Committee be abolished and each departmental Chief Executive be made clearly accountable for obtaining the required acquittals from the Department of the Premier and Cabinet, Department of Treasury and Finance, and Crown Solicitor before a proposal which requires Public Works Committee consideration, is submitted to Cabinet.

69   The *Parliamentary Committees Act 1991* and any other relevant legislation be amended to:

- change the criterion for automatic referral of a project to the Public Works Committee to a public work requiring $10 million or more of State Government funds

- exempt proposals to be considered by the Industries Development Committee from the consideration of the Public Works Committee.

70   The Department of the Premier and Cabinet continue its current role, with the authority of the Premier, in coordinating Government advice on and input to major project proposals from the private sector, and in acting as a 'trouble-shooter' on other major projects as appropriate.

71   The Department for Administrative and Information Services continue its current role in implementing non-mainstream government initiated major or special projects that do not fall into the role of one department, pursuant to the directions of the Capital Investment Committee.

72   Given the importance of sound project management to the success of projects, there be a competency based approach to project management within the public sector.

73   A small working group, comprising the Department of the Premier and Cabinet (Chair), Department for Administrative and Information Services, Office for the Commissioner for Public Employment, and other relevant departments, be established to undertake the following tasks within a concise timeframe:

- undertake an audit of (a) existing project direction and management resources in all agencies to establish numbers and level of competency as assessed against the National Competency Standards; and (b) application of best practice project management processes across the public sector, in order to identify resource requirements and any other needs for implementing best practice project management within the public sector

- examine the DAIS mandate to determine whether it still provides the best option for the provision of project management expertise within the public sector for capital building projects with an estimated cost in excess of $150 000

- develop an appropriate career and training structure for the core of project management resources within the public sector

- develop baseline project management processes and procedures for application across the public sector through using proven 'best practice' processes developed in South Australia and elsewhere.

74   The Department of the Premier and Cabinet coordinate a review of the range of guidelines and policies applying to major and other large capital investment projects and strategic procurement so that they are:

- rationalised and presented in a logical framework that identifies linkages and eliminates any gaps and duplication

- made less prescriptive.

75   Chief Executives of departments ensure that those who are responsible for administering these guidelines and policies are competent to do so and have undergone any necessary training to ensure they have a good understanding of them.

Strategic Procurement   (6.4)

76   The Task Force recommends that implementation of the procurement reform program under the *Purchasing Strategically* policy be further refined by the State Supply Board, among other things addressing the issues outlined by the Task Force under section 6.4 of its report.

Interface with the Community   (Chapter 7)

Strengthening Government and Community Relationships   (7.2)

The Task Force recommends that:

77   A consultation protocol be developed by the Department of the Premier and Cabinet that provides for consultation to be targeted, planned and coordinated across government.

78   The Department of the Premier and Cabinet develop and maintain a whole of government consultation register that:

- lists consultations being carried out by the Government

- includes a list of issues and documents currently open for public comment

- provides information on timeframes and submission processes where relevant

- identifies stakeholders

- is accessible to the community, possibly via the internet.

79   The Department of the Premier and Cabinet be responsible for providing:

- information to the Government, the public and other agencies on what consultations are occurring

- advice and support to government agencies in planning and conducting effective consultation

- training to government agencies in effective consultation.

80   The Department for Administrative and Information Services be responsible for assessing web based discussion and information sites currently used by the Government and departments to ensure that these sites do not overlap and their purpose meets the needs of both the community and the Government.

81   A three part structure be used by Chief Executives for community engagement initiatives:

- develop a complete and well structured proposal, which assesses the suitability of engaging with the community and includes an assessment of:

  - risks (including political risk)

  - resource requirements (including regard for government priorities in determining what issues should proceed, and in what location)

  - community capacity (taking into account factors such as community readiness and resources).

- formalise the processes to be used through the creation of a memorandum of understanding between the Government and the community, that seeks to formalise and monitor community engagement by:

  - committing parties to common goals and modes of working

>   identifying needs and priorities and any obligations on the parties

>   committing parties to be bound by the principles of community engagement (ie inclusiveness, participation, ownership, mutual respect, empowerment and readiness) which would then become the basis to guide and monitor the relations between the community and government.

- seek Cabinet approval of the proposed community engagement memorandum of understanding through a two staged approach:

>   approval of a proposal to consult with a community for the purpose of determining the suitability of creating a draft memorandum of understanding with that community

>   subsequent approval of what has been negotiated with the community as the draft memorandum of understanding.

Important Principles for Community Interaction   (7.3)

82   Chief Executives ensure that community interaction within their departments are consistent with the principles of:

- transparency

- adequate time

- genuine approach

- awareness of the impacts on others

- flexibility

- inclusiveness

- mutual respect.

Generic Ingredients for Successful Community Interaction   (7.4)

83   Chief Executives ensure that community interaction within their departments address the following factors:

- leadership and commitment to the process

- skill development

- clearly defined roles and responsibilities

- timely and accurate feedback

- measures of success built into the process

- appropriate resources

- recognition for successful community interaction

- effective implementation.

84   Chief Executives and the Commissioner for Public Employment ensure increased weighting is given in selection processes to community interaction skills.

Service to the Community   (7.5)

The Task Force recommends that:

85   Each department and agency, with employee and customer involvement, develop a service charter incorporating a number of key elements including:

- identification of customers

- commitment to communicating with customers

- customer service standards

- mechanisms for regularly reviewing the charter

- monitoring and reporting of performance against the charter.

86   21 days be adopted as the maximum for responses to ministerial and departmental correspondence unless special circumstances apply.

87   Wherever possible, written correspondence on straightforward matters be dealt with through the appropriate officer contacting the author by telephone.

88   Consistent, best practice technology be adopted within and across all departments and agencies for the electronic transport and tracking of correspondence.

People   (Chapter 8)

Ongoing Development   (8.1)

The Task Force recommends that:

89   Chief Executives commit to strengthening the diversity of training for public sector employees, relevant to the skill needs of the public sector.

90   Chief Executives be held accountable for their existing responsibility to ensure effective and ongoing performance management is conducted in their departments, and that departments and the Commissioner for Public Employment continue to report on progress in their annual reports.

91   Chief Executives be held accountable for their existing responsibility for ensuring effective people management in their departments through the development of human resource management capability and appropriate resourcing of human resource areas.

92   The Commissioner for Public Employment provide increased seed funding, together with frameworks and training, to ensure a consistent minimum standard is achieved and maintained in addressing identified gaps in skills across the public sector.

93   The Commissioner for Public Employment investigate the viability of establishing a state wide training facility.

94   The Commissioner for Public Employment develop and introduce structured internships in the public sector.

95   The Commissioner for Public Employment make available online learning opportunities and e-mentoring to a wider range of public sector employees.

Mobility   (8.2)

The Task Force recommends that:

96   The Commissioner for Public Employment, in collaboration with departments:

- identify positions in the public sector (at all levels) which are appropriate for rotation and then implement a rotation scheme

- develop and implement employee exchange programs and secondments between the public sector and the private sector and between state, Commonwealth and local governments

- ensure selection criteria and processes reflect the importance of cross government exposure and varied experience.

Public Sector Values and Ethics   (8.3)

The Task Force recommends that:

97   Chief Executives ensure adequate awareness of public sector ethics, values and standards of behaviour for all public sector employees (including Ministerial staff) through education and training.

98   The Government consider amending Ministerial staff contracts to provide a clear statement of the roles and responsibilities of Ministerial staff, and standards of behaviour as a public employee.

99   The Commissioner for Public Employment distribute to all public sector employees an engaging yet comprehensive manual, acknowledging the Code of Conduct and incorporating practical advice, hypothetical situations and a section for recording the employee's training.

100   The Commissioner for Public Employment ensure that public sector values, ethics and standards of behaviour become a compulsory part of relevant training courses at all levels and for all public sector employees, including Ministerial staff.

101   The Commissioner for Public Employment ensure that all new public sector employees are inducted within a consistent framework.

Leadership   (8.4)

The Task Force recommends that:

102   The Government strengthen its commitment to leadership development in the public sector through the allocation of ongoing additional funding to LeadershipSA and other appropriate programs.

103   Chief Executives meet the benchmark set by the Commissioner for Public Employment for expenditure on management and leadership development through a wider range of programs of an appropriate standard to meet specific needs.

104   Chief Executives and the Commissioner for Public Employment ensure that the recruitment and development of leaders place greater emphasis on:

- skills in collaboration, innovation, managing diversity and risk management

- the importance of diversity in succession planning and leadership for a representative and responsive public sector.

105   The Commissioner for Public Employment ensure that LeadershipSA and other programs continue to provide scope for mentoring across departments, paying particular attention to incorporating community and business mentors.

106   Further, placement of executives on the unattached list is not supported by the Task Force and it is believed that such executives should be usefully employed in a productive manner commensurate with their knowledge and expertise. The current process is debilitating for the individual and casts a negative influence on the broader public sector.

Roles and Responsibilities of Departments   (Chapter 9)

Department of the Premier and Cabinet   (9.3)

The Task Force recommends that:

107   The Department of the Premier and Cabinet take leadership in driving whole of government strategic priorities and evaluating progress through:

- providing leadership in whole of government strategic planning and policy development
- collaborating with and empowering other departments
- reinforcing departments' accountabilities and responsiveness.

108   The Department of the Premier and Cabinet be adequately resourced with appropriate skills and expertise to undertake this leadership role, using secondments where appropriate from other departments, and through training and development within the Department of the Premier and Cabinet.

Department of Treasury and Finance   (9.4)

The Task Force recommends that:

109   The Department of Treasury and Finance adopt a more facilitative, collaborative and proactive approach and develop close working relationships with departments, including:

- staff exchanges
- training programs
- incentives (including departments keeping a percentage of efficiency savings)
- provision of information on the budget position and financial constraints.

110   The Department of Treasury and Finance work closely with other departments to develop forward estimates that more accurately reflect the current policy setting.

Attorney-General's Department – Crown Solicitor's Office   (9.5)

The Task Force recommends that:

111   The Attorney-General's Department implement cross charging to all agencies for the services provided annually by the Crown Solicitor's Office.

112   The Attorney-General's Department transfer associated budget funding from the Crown Solicitor's Office to the budget of agencies to purchase legal services, with the net cost being the same.

113 The Attorney-General's Department allow agencies to choose the provider(s) of their legal services, with tied legal work being retained by the Crown Solicitor's Office.

114 The Attorney-General's Department define tied legal work (subject to the approval of the Attorney-General) as that which:

- is fundamental to the responsibilities of government

- arises from the Attorney-General's responsibilities

- has implications for government beyond the agency involved in seeking the legal advice

- involves the constitutional powers and privileges of the State and/or the Commonwealth.

115 The Attorney-General's Department establish a core fund, managed by the Attorney-General's Department, to cover the cost of tied legal work.

116 The Attorney-General's Department implement competitive neutrality principles to ensure the Crown Solicitor's Office does not enjoy any competitive advantage over private legal service providers by virtue of its government ownership.

117 The Attorney-General's Department develop protocols for the consideration of the Attorney-General on managing the provision of legal services, and that these protocols apply to all agencies and their chosen legal service provider(s).

118 The Attorney-General's Department provide agency support as appropriate to implement and monitor these changes.

Implementation   (Chapter 10)

The Task Force recommends that:

119 The Department of the Premier and Cabinet provide whole of government oversight of progress and assist agencies in implementing relevant Task Force recommendations.

120 The Department of the Premier and Cabinet provide a formal report or 'scorecard' on progress in implementing the Task Force's recommendations to Cabinet every six months, with key stakeholder/community input as appropriate.

121 The Department of the Premier and Cabinet, in collaboration with other agencies, monitor and evaluate the efficiency and effectiveness of key processes across government and ensure continuous improvement becomes an integral part of government business.

122 The Senior Management Council regularly discuss progress in implementing the Task Force's recommendations and possible strategies to address any impediments.

Attachment 1

Project Team

Mr Terry Tysoe, Executive Director, Strategic Projects, Department of the Premier and Cabinet

Ms Elizabeth Young, Principal Policy Officer, Strategic Projects, Department of the Premier and Cabinet

Ms Deborah Palmer, Senior Project Officer, Strategic Projects, Department of the Premier and Cabinet

Mr Michael Breen, Graduate Project Officer, Strategic Projects, Department of the Premier and Cabinet

Ms Melissa Oldland, Administration Officer, Strategic Projects, Department of the Premier and Cabinet (from March 2002)

Mr Bill Papazoglou, Administration Officer, Strategic Projects, Department of the Premier and Cabinet (until February 2002)

Mr John Stock, Executive Consultant, Department of Industry and Trade

Ms Vaia Proios, Principal Policy Officer, Office for the Status of Women.

Attachment 2

Written Submissions

1 Attorney-General's Department and Department of Justice

2 Australian Centre for Organisational Governance, Mr David White, Founding Member

3 Australian Institute of Project Management (SA Chapter), Mr Robin Schliebs, President

4 Australian Technology Pty Ltd, Mr W Potts, Consulting Engineer

5 Business SA, Mr Peter Vaughan, Chief Executive Officer

6 Department for Administrative and Information Services

7 Department for Environment and Heritage

8 Department for Transport, Urban Planning and the Arts

9 Department of Education, Training and Employment

10 Department of Human Services

11 Department of Industry and Trade

12 Department of Treasury and Finance

13 Mr Robert Laws

14 Local Government Association of South Australia, Mr John Comrie, Executive Director

15 Office for the Commissioner for Public Employment

16 Office of Regional Development

17 Primary Industries and Resources SA

18 Public Service Association of South Australia

19 Property Council of Australia (SA Division), Mr Bryan Moulds, Executive Director

20 Solicitor-General, Mr Brad Selway QC

21 South Australian Independent Industry Regulator, Mr Lew Owens

22 State Supply Board, Department for Administrative and Information Services

23 Strategic Policy Division, Department of the Premier and Cabinet

24 Triple Bottom Line Working Group

25 Ms Claire Witham, Ms Deb Morey, Mr Martin Brine and Mr Don Basso

Attachment 3

Important Factors Underpinning Successful Partnerships

The Government has started to use partnerships as an effective mechanism for community engagement. The Task Force has examined a number of partnership initiatives including some not listed in the Review's terms of reference. From this analysis, the Task Force believes the following elements should be taken into account in the development and implementation of a partnership initiative:

Partnership's evolve	All parties need to be aware of changing influences and how to best adapt the partnership to meet the new circumstances. As a result, it should be recognised that outcomes may vary.
There needs to be a mechanism to resolve conflicts	A collaborative mode of working needs to acknowledge that conflicts may arise from time to time. Resolving these conflicts and working towards a common goal is the responsibility of all parties.
Draw on expertise from outside of the partnership	Members of the partnership may not have all of the expertise and knowledge required for the initiative. This needs to be recognised as an opportunity to build on the skills and knowledge of the partnership by drawing on appropriate external resources. Universities in particular have the potential to play a key role in this regard.
Partnership approach needs to be supported at all levels	The success of a partnership approach requires support and commitment at all levels within the Government and the community.
Establishment of partnership initiatives take time	The length of time that it will take to establish effective relationships between the parties involved in the partnership, should not be underestimated. Establishing trust between the parties may take some time, but is essential for the partnership to work effectively. Realistic milestones will take this into account.
Working in a collaborative style requires a particular skill set	Being able to work in a collaborative style should not be seen as 'soft' skills that all people have. Rather, the importance of these skills should be highly valued for partnerships.
The benefit of having a champion for the initiative	Often successful partnerships have a strong champion to progress the initiative, overcoming obstacles that may arise. Where an initiative is particularly complex, has a cross-government impact and is politically sensitive, a designated Minister and lead department are required.
Funding for partnership initiatives	The commitment to a partnership initiative may be weakened if funding is only provided on an annual basis. Annual funding arrangements may make the parties to the partnership unsure of the partnership's future, which may in turn have an impact on planning and delivery of the initiative. Such uncertainty should be eliminated wherever possible.
Promotion of partnership initiatives	Successful partnerships should be actively promoted. How this is done should be agreed by all parties.

Glossary of Terms

For the purpose of this report the following definitions are used:

Public sector is defined under section 3 of the *Public Sector Management Act 1995* as:

'all public sector agencies and public sector employees and the operations and the activities carried on by the agencies and employees. Where public sector agency is defined as-

(a) an administrative unit; or

(b) an agency or instrumentality of the Crown (including a Minister); or

(c) a body corporate –

(i) comprising of persons, or with a governing body comprising of persons, a majority of whom are appointed by the Governor, a Minister or an agency or instrumentality of the Crown; or

(ii) subject to control or direction by a Minister; or

(iii) declared under subsection (2) to be a public sector agency,

but does not include a person or body declared under subsection (2) not to be a public sector agency.'

Public sector employee under section 3 of the *Public Sector Management Act 1995* is 'a person appointed to the Public Service or employed by the Crown or a public sector agency'.

Public service comprises the administrative units established under the *Public Sector Management Act 1995*, and their employees.

Departments are administrative units defined under the *Public Sector Management Act 1995*.

Central agencies refer to the Department of the Premier and Cabinet, the Department of Treasury and Finance and the Crown Solicitor's Office of the Attorney-General's Department.

Designated Minister is the Minister appointed as the lead Minister for a cross-government initiative.

Lead department is the department appointed to take responsibility for leading and coordinating a cross-government initiative.