

Are we there yet?

Presentation to the Canberra Evaluation Forum

Introduction

Thank you for inviting me to speak to you today about our experiences in the Department of Infrastructure and Regional Development in developing our evaluation capability, and most importantly, evaluation culture, since 2011.

The APS needs to not only develop the technical skills and discipline to plan for, monitor and evaluate our activities, but we must embed an 'evaluative thinking' approach into the way we do our work. By that, I mean that we regularly question and test our assumptions, listen to our stakeholders, know what we are trying to achieve and how we are performing, and have the evidence and rationale to support good policy, programme and regulatory design options. We must do this regardless of the colour of government as part of our fundamental role as public servants. Continuous improvement is our core capability.

Where we came from

Before I begin our story over the last few years, it is useful to reflect on where the Department, and the public service, has come from.

We have all suffered from the loss of APS evaluation culture and reasoning. As some of you would be aware, the Department of Finance was very active in the evaluation of government initiatives from the late 1980s and throughout much of the 1990s. However, around the turn of the century, responsibility for evaluation activities was devolved to individual agencies; and the almost automatic provision of funding for evaluation activities was subsequently withdrawn. As a result, the profile of evaluation quickly fell across the APS amidst competing priorities, and with it went the significant skills required to conduct, plan for and manage evaluations.

This was the context that led us to change and strengthen the evaluation culture in my Department from 2010. While I must stress that this was not uniform across the entire agency, a 'set and forget' approach was increasingly a risk for us, especially in the regulatory space.

When it came to programme management, some pockets of the Department viewed evaluation as something that was 'done to them', leaving the Department caught unawares by external review findings and becoming increasingly reactive to them. We especially became fixed and captured by the ANAO 'gotcha' approach which is so destructive to the relationship with them and to programme administration more generally.

In the area of policy and programme development, limited evaluation was occurring. Having not gathered the required evidence or examined alternative options, the Department was often left to implement less-than-ideal decisions of government, because it missed the opportunity to present alternative options to government for consideration.

Further, when evaluations were undertaken to satisfy mandated requirements, they were often missed opportunities because terms of reference and consultancy briefs for external evaluators were not clearly articulated and managed. We run very good programmes, but we did not have the evaluation rigour we needed to support them and demonstrate their success.

The bottom line is that common sense was becoming less common, and a more disciplined approach to evaluating our work was in order.

What we set out to achieve

My vision for the Department has five elements:

1. *To have a view on the right outcome*
2. *To be a respected policy reform driving agency*
3. *To be a leading Commonwealth programme and project delivery agency*
4. *To be an effective and leading regulatory agency*
5. *To be a leading Australian agency for investment strategy and planning*

We have consistently promoted these directions to Departmental staff to ensure we are all working toward a shared goal. As most of you are all too aware, review and evaluation is integral to the continuous improvement required to see our direction come to fruition across the Department.

Evaluation is very misunderstood. Evaluation is something that is often viewed as a one-off event and confused with audit. Due to this apparent resistance and misunderstandings associated with evaluation terminology, including confusion with audit, we have decided to focus on building a culture of 'evaluative thinking'. We want to embed active thinking in our day-to-day management approach with regular reflection, probing and improvement. This is a critical shift.

It is much more difficult to argue against continuous improvement than it is to argue against a one-off evaluation or audit process.

To that end, we launched the Departmental Evaluation Strategy in March 2012, with four key areas of action:

1. Leadership
2. Capability Building
3. Support
4. Coordination & Governance

A central evaluation area was also established to coordinate evaluation activities.

Key principles underpinning our approach included that staff would learn-by-doing, that evaluations would be strategically prioritised, and findings would be shared to maximise the value of the evaluation activity.

To help inform the prioritisation of evaluation activities, an initial stocktake of audit, evaluation and review activities that had occurred over the last five years was undertaken, along with any planned reviews over the coming five years. Using this information, two programmes were chosen for priority evaluation in the initial year of the strategy.

To elevate their level of importance and oversight, all priority evaluations are overseen by a high level Steering Committee, comprising the Head of our Policy & Research Division, and the Branch Head who is responsible for the central evaluation unit. The Steering Committee is chaired by the Deputy Secretary who does not have line responsibility for the activity being evaluated. The cross-agency Steering Committee is responsible for examining and approving the Terms of Reference and the approach to the evaluation, as well as endorsing the final report, management response and 'Lessons Learned' document.

The final report and management response are then referred to the Department's Finance, Reporting and Programme Committee, which I chair, for approval, as well as for ongoing monitoring of the implementation of management responses. This Committee also includes both Deputy Secretaries.

The other major undertaking in our first year was to conduct a series of policy logic workshops. These workshops were targeted at the 'whole branch' or 'team' level, and cross-divisional representation was encouraged. The primary purpose of these workshops was to act as a circuit breaker – to challenge current thinking and generate discussion about policy and programme rationale.

Twenty workshops were undertaken in 2011. Feedback from the workshop series indicated that the greatest value from the workshops had been providing team members with the opportunity to openly discuss policy and program objectives, interactions, achievements and sensitivities. 71% of respondents considered that their participation in the workshop would to some extent change the way they approached their daily work.

Early Lessons

So what did we learn from our first year of operation? Firstly, many people still viewed evaluation as something done to them rather than realising its value as a management tool. While some embraced the workshop processes, and requested follow-up workshops to address specific issues, others considered them as another externally imposed form of audit. Their greatest value in many cases was bringing policy, programme and research officers together to share their knowledge on a common topic of work.

Secondly, there was a dire need for direct and better consultation and collaboration with stakeholders. For example, to satisfy legislative requirements, a review was completed for a programme relating to heavy vehicles. However, with hindsight, the scope had gaps and did not include everything the Department was seeking. It was undertaken by external consultants, was completed without talking to truck drivers and the report largely concluded there was a lack of evidence to make judgements on the programme's performance. Because we weren't clear on what we wanted from external evaluation contracts, we weren't getting what we needed.

Following consideration by the Steering Committee, and to address the shortfall in consultation, the Department worked with another external evaluation consultancy team to design and conduct consultations with key stakeholders. The new team was engaged to sit at some major truck stops on the Hume Highway and talk to truck drivers. They also spoke with industry and state government representatives, and as a result, were able to identify additional information held by the States that was available to help measure programme performance. The challenge for the Commonwealth was how to coordinate the States to ensure they were collecting the information in a consistent manner for a common purpose.

This leads me to our next lesson, that early planning for monitoring and evaluation is essential to ensure that the data you need is being collected and therefore available for regular monitoring and review activities.

Finally, it is important that processes and decisions of the oversight Committees are well articulated, communicated and followed, and are led by senior commitment. Without that, the central evaluation unit often found it difficult to encourage the implementation of decisions, and there was confusion around the expectations in line areas.

I am aware that none of this is rocket science, but it reinforced that good policy implementation practices were not always being applied, for a whole host of reasons.

First Review and Refocus

So where were did we go from there? Our initial focus had been on implementing the strategy, including the development of evaluation resources, conducting policy logic workshops, identifying relevant training opportunities and establishing and implementing the processes to support the conduct of the priority evaluations. However, following our first internal annual review, our experience was that these evaluation resources and processes could not achieve their intended purpose if the culture of the organisation wasn't receptive to evaluation. Our incentive structures are often such that people don't always want to know how they, or the initiatives they are managing, are performing. We need to build a culture where we provide the right incentives for people to have an open and frank discussion, including with ministers and governments, about the performance of their programmes.

Recognising that the initial implementation of the strategy, and resulting capability building, had been much slower than anticipated, we turned our attention to building a departmental culture that values and embeds evaluation practices into its normal business. This included:

1. greater engagement of division and branch managers: a supportive and engaged branch manager was emerging as a critical determining factor in the success or failure of evaluations;
2. more effective use of 'evaluation champions' – often those branch managers referred to above that could share their positive evaluation experiences with their peers; and
3. fostering early 'evaluation planning' through the use of evaluation mentors and routine business planning processes.

Starting to get traction: What we did differently

During 2013, we started gaining traction from our activities, with some line areas nominating themselves for review activities or requesting workshops to brainstorm ideas or develop programme logics.

Our greatest success in developing evaluation skills across the Department and fostering an active interest in conducting good quality evaluations has been the conduct of tailored one-day in-house training courses on Managing and Conducting Evaluations, based on the IPAA course that you are probably familiar with. These courses are extremely popular and receive very positive feedback. We currently run 3 – 4 in-house courses per year, all of which are fully subscribed.

Our approach to marketing the courses has been critical, and it is largely based on word-of-mouth. We capitalise on the positive experiences of previous participants by emailing them prior to the next upcoming course, and ask that they pass on the information to anyone else in their team who would benefit from the course. We also directly email line areas we know are conducting or considering evaluation activities, as well as all Departmental Branch Heads. In addition, an electronic advertising campaign is undertaken on the intranet, electronic notice board and via my regular weekly emails. However in most cases the course is already filled before the electronic advertising campaign begins.

We also felt it important to build a brand image to underpin our advertising activities and people respond well to cartoons. Displayed on these banners here today are the two cartoons we frequently use to promote evaluation activities.

Next, to address findings in evaluations where monitoring and data collection had not been well planned, we began incorporating the development of monitoring and evaluation strategies into programme design, evaluations and evaluation management responses. While there was some initial resistance, it was through this process, assisted by an external facilitator, that Branch Heads really started to see the value of such strategies for future programme negotiations, ongoing management and external review.

Using the development of one of these strategies as a case study, we also published a practical resource guide for incorporating monitoring and evaluation strategies into policy, programme and regulatory design, including the process undertaken to engage and seek the agreement of state-government stakeholders.

Finally, to help embed evaluation into routine business practices and reinforce the importance of evaluation from the top of the organisation, upcoming evaluations are included in divisional annual business plans and highlighted as a key priority in my annual budget and business plan letter to Division Heads outlining key tasks, workforce planning priorities and budget allocations. Expectations and the progress of evaluations are discussed at the regular quarterly divisional business planning meetings with the Executive.

Second Review and Refocus

While we had some runs on the board, the second annual review highlighted a few areas where we needed to rethink our approach. We remained committed to our 'learn-by-doing' philosophy, but it was evident that competing work priorities and a close association by the evaluation team with the activity being evaluated, was impeding the timeliness and quality of some evaluations.

Further, while real capability building was occurring in pockets across the Department as areas subject to priority evaluation benefitted from and valued the process, the small number of evaluations each year meant that we were achieving limited reach. Once again, we had to adapt and improve our strategy.

While the exact methodology may vary between evaluations, they are now conducted in a more 'partnership approach' with an external mentor. The mentor assists the team in the planning phase to ensure the terms of reference and evaluation questions are 'right' – that they reflect the questions we need answered – and that the expected methodology is clear, costed and understood by all.

In the initial stages of the evaluation, the mentor will often lead the team through a workshop process to flesh out key issues and ensure everyone's experience and knowledge is captured in the process. In some cases, the mentor will undertake consultation activities with key stakeholders. In others, the line area develops survey or interview questions to implement under the guidance of the mentor.

Report writing provides a further opportunity for skills development in the Departmental team. In most cases, the line area takes on the report writing role, with a mentor providing assistance with report structure and analysis of the key findings.

The benefits of this approach are that it simultaneously provides expertise and independence, while building capability and enabling ownership of outcomes. It was used extremely successfully in our most recently completed evaluation of the service delivery arrangements with Western Australia, for the Indian Ocean Territories.

Secondly, to broaden our reach and the use of consistent and coordinated processes for review activity across the Department, regulatory reviews were incorporated into the annual evaluation schedule and process, and they were overseen by a similarly composed steering committee. We also introduced the selection of 'indicative' evaluations to the annual prioritisation process. These are 'lighter' touch reviews to assess progress of programmes and again, they are being conducted in partnership between an evaluation mentor and the responsible team to ensure both rigour in the process and evaluation skills development.

But there is clear benefit in upfront thinking in programme and regulatory design. For new programmes, we concentrated our efforts on upfront planning for monitoring and evaluation activities. This year four areas were selected to develop monitoring and evaluation strategies through the annual prioritisation process, with a focus on newly announced funding measures. As an example, the monitoring and evaluation strategy for the National Stronger Regions Fund grants programme was developed alongside programme design, such that it served to inform both programme design and reporting and systems development. Further, both the policy development team and the policy implementation team were jointly and equally involved in the process. And a monitoring and evaluation strategy was developed for the Bridges Renewal Programme before the first round of project applications closed.

The development of monitoring and evaluation strategies can be challenging, especially where there is a proliferation of small, short-term programmes with outcomes that are difficult to measure. We must recognise that we can't measure everything, but at the same time we need to develop viable options to monitor and report performance, with a focus on outcomes over outputs. This remains a struggle for Governments everywhere.

Case Study

As a case study, I'd like to highlight the transformation of one of our branch's perception of the use of evaluation. The area runs programmes which deal with local roads and heavy vehicle safety.

As programme managers, the area had been subjected to a high level of ANAO scrutiny in the past, which no doubt contributed to the initial scepticism about the priority evaluation process, combined with poor outcomes from a previous external evaluation. In addition, the area was subject to resource constraints and a considerable ongoing workload.

Following an initial external evaluation with minimal stakeholder engagement, assistance was provided by the central evaluation area to undertake another consultation phase of the review. This included outlining the services required by a new external evaluation consultant, and drafting and reviewing communication and survey documents. While some practical improvements to the programme were identified at the completion of this phase of the evaluation, and a dialogue had been opened with key stakeholders, enthusiasm for evaluation remained lukewarm.

The evaluation process identified data gaps and the development of a monitoring and evaluation strategy for the next round of the programme was included as part of the management response to the evaluation findings. Initially, a draft monitoring and evaluation strategy was developed with the Departmental team. This draft strategy was then discussed in detail with state government stakeholders and their input incorporated. The great benefit of this process was that the Commonwealth was able to identify information that the States were already collecting and ascertain whether the information could be collected nationally and consistently for the benefit of all stakeholders.

Finally, to facilitate capability building from the process, the lessons learned from the development process were documented. This culminated in the development of the Guide to Incorporating Monitoring and Evaluation into Policy, Programme and Regulatory Design. Using an existing programme as a case study helped demonstrate that it is never too late to develop a strategy for an ongoing initiative.

The resulting strategy informed the development of reporting templates and the management information system for future funding rounds of the programme, and due to the previous consultation process, was readily accepted by the States.

I believe it was at this point that the team was converted. The team saw the practical value of process, so much so, that they approached the corporate evaluation area to self-nominate another one of their programmes for priority evaluation and requested that the development of a monitoring and evaluation strategy be included in the evaluation process. The team's enthusiasm and engagement in the process was remarkably different to the first evaluation. They were self-motivated to achieve deadlines and required very little input from the central evaluation unit. I am pleased to say that we have a growing number of evaluation capability-building success stories.

Current and Future Challenges

So, are we there yet? The answer is no; but we are on our way.

The implementation of the strategy is a work-in-progress that we continue to adaptively manage. We will monitor and learn from both our successes and failures, and make change accordingly. We have achieved pockets of success, but the challenge remains to embed evaluative thinking across the whole department. It needs to be entrenched in our everyday work and key business processes, we need to be smarter about what information we are collecting and why, and we need to utilise existing information sources where possible and relevant.

SES leadership is undoubtedly a key success factor. Engaging SES and requiring outcomes at that level is a challenge for me personally.

Finally, I also see it as our job as professional public servants to educate Ministers about the importance of evaluation and planning for the measurement of performance. The results we see from policy implementation and evaluations too often reflect a lack of planning. Such conversations with ministers can be tough, when you have to explain that a well-intentioned programme may not actually be delivering on the ground what you thought it was. But that is our responsibility.

Just as public policy is an opportunity, it is also a responsibility to make sure the messages are clear and we are delivering the message back to government about how effective our programmes and regulatory activities are.

Thank you again for inviting me to share my Department's experiences with you.

Mike Mrdak
Secretary
Department of Infrastructure and Regional Development
19 March 2015